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**Emeryville
Business
Conditions Survey:
Impact of Minimum
Wage and Paid Sick
Leave Ordinances**

MILLS

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Executive Summary

This report summarizes current state of economic conditions facing Emeryville businesses and compares some current statistics to those from one year ago, before minimum wage and paid sick leave changes. It also summarizes the overall sentiment toward these new ordinances expressed by the business owners and managers.

In July 2015, Emeryville made news by raising its local minimum wage to \$12.25 for small businesses, and \$14.45 for large businesses. With the previous minimum wage at \$9 an hour, this was a 36% jump for any small business and a 60% bump for any large business that employed minimum wage workers. In addition, the City added a Paid Sick Leave Ordinance that gave employees who worked two hours or more a week sick leave eligibility with a cap of 48 hours.

While this increase made Emeryville the city with the highest minimum wage in the country, Emeryville was not the first city to set the trend. In March 2015, Oakland raised its minimum wage to \$12.25 with embedded paid sick leave requirements, San Francisco raised its minimum wage in May, and Berkeley followed suit in October of the same year.

As Emeryville gets set to introduce a Fair Work Week ordinance, this survey was conducted to assess how businesses are faring with the changes, economically as well as attitudinally, and to assess their resilience.

Looking at overall economic conditions, revenues are increasing, but not as rapidly as costs. While half of the surveyed businesses have experienced a growth in revenues over the last year, close to 80% have experienced increased costs. Rising supply chain (i.e., vendor) costs were named as the number one cause.

While many argue that a minimum wage increase costs jobs, we found that most companies did not change in size over the last year. More than half of businesses maintained the same number of full time employees (FTE), and those that experienced changes were split between FTE increases and decreases. The food service sector saw the greatest increase in full-time employees.



About 60 % of businesses saw an increase in payroll costs over the last year, and close to a quarter saw an increase of more than 10%. The minimum wage increase was certainly a factor in payroll increases, but some businesses indicated they gave raises to their employees who were already earning above the minimum wage level in order to stay competitive and to keep up with the rapidly increasing cost of living.

Half of Emeryville businesses have raised their prices over the last year, with 37% increasing prices above the Bay Area average price index increase of 3%. Furthermore, “raising prices” is the most common anticipated change that businesses will make in the next six months.

The majority of business had neutral responses to the recent minimum wage and paid sick leave ordinances, frequently citing that they were not affected or concerned. The food service industry expressed the greatest frustration.

Responses from the food sector pointed to the negative impact of these changes on the already struggling businesses. Of other well-represented industries: retail sector had a positive reaction to the changes while manufacturing remained mostly neutral.

The greatest challenges that business owners/managers see themselves facing is finding skilled employees, rising rents, and increasing personal costs of living.

Our respondents were mostly small business owners who have been in business for over 10 years. The minimum wage increase proved to be only a part of the overall complexity of operating a business within the Bay Area.

While the rebounding economy has brought about an increase in sales and revenues for many businesses, vendor prices for materials and services have also heated up, rents have increased, and personal costs of living have gone up.

Whether mandated by the City or by necessity of to stay competitive in the Bay Area, business owners indicate that they had to increase employee pay to make sure employees can afford to live where they work.

Overall, most businesses plan to remain in Emeryville and would most like to receive assistance from the City when it comes to marketing their products.



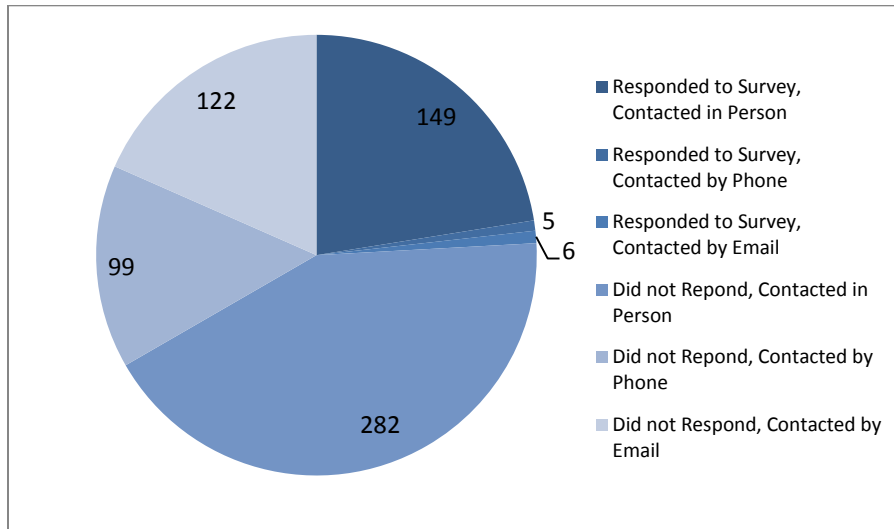
Sample Size and Methodology

Sample Size

A total of 663 Emeryville businesses were contacted by the research team between August 24 and October 3 of 2016. The Initial contacts were made by phone, email, and via in-person visits. Business contact information (i.e., phone numbers and email addresses) were obtained by combining several information sources: City of Emeryville business database, several online directory/business listing resources, and the Little City Emeryville business association contact list. The supplemental in-person outreach was conducted throughout the entire city of Emeryville to every business where the physical access was allowed.

431 businesses were contacted directly through in-person visits. 104 businesses were contacted by phone and were emailed a link to the survey. 128 businesses were exclusively sent survey links and request to participate by email. Paper copies of surveys were either left to be filled out or links were emailed as follow up to in-person contacts. Follow up outreach was conducted through in-person visits, through email reminders, or by phone. Of the 663 businesses contacted, 160 surveys were completed. A break out of response frequencies by initial communication mode is detailed in Figure A.

FIGURE A: Communication Mode and Response Frequency



Survey Instrument and Data Collection

The survey was based on a previous survey conducted by Mills College in 2015 for the City of Oakland.¹ Modifications were made to meet the specific needs of Emeryville. Questions were formulated to assess the general business conditions in Emeryville before and after the implementation of the minimum wage and sick leave ordinances that were enacted in July 2015. City of Emeryville staff contributed to survey modifications.

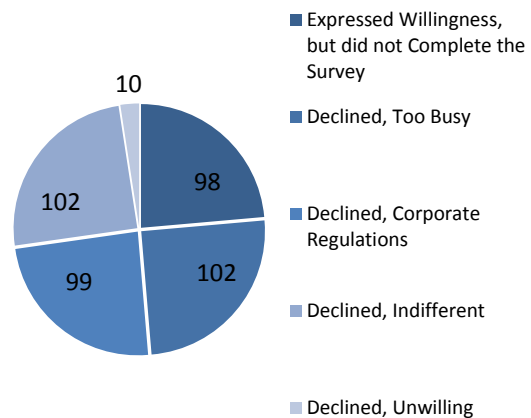
The survey included a combination of multiple choice, scale, and open-ended response questions. City staff expressed a desire to have as much knowledge of the current state of businesses in the area as possible and learn about the nuanced reaction to the new ordinances. Therefore, open-ended responses were included to capture as much nuance and unanticipated reaction as possible. Where appropriate, these open-ended responses were categorized through content analysis.

Data Collection Challenges

Extensive outreach efforts were made with 2 to 3 follow up contacts

conducted with each business. In spite of these efforts, there were some barriers to survey completion. As shown by Figure B, some businesses declined to participate outright, some owners/managers were too busy or lacked interest. Other firms faced corporate restrictions on information sharing, or were not willing to share information with the City. However, **we managed to achieve the response rate of just below 25%, which is very good for this type of a project. We are thankful to the business owners who stepped up to the challenge and submitted their responses.**

Figure B: Categories of Non-Response



¹ A working paper based on the original survey by Sepi Aghdahee and Carolyn Sherwood Call is available upon request.

The City of Emeryville currently lacks a Chamber of Commerce or other major business associations, which prevented the research team from gaining easy access to the business community. Lack of connection and networking opportunities between businesses and the City could also be responsible for the decreased interest in participating in an Emeryville associated activity on the part of potential survey respondents. Furthermore, Emeryville has a large number of nationally owned/franchise businesses, which posed challenges for the research team in terms of gaining access to decision makers. Finally, many small business owners were too busy and/or felt too overwhelmed with tasks to take the time to participate.

Businesses and Industries Represented in the Study

Brick and mortar businesses were easier to access; therefore the retail and food service industries are most heavily represented in our sample. Emeryville is well-known for retail apparel stores and is home to a wide assortment of food businesses. Emeryville also has a significant number of manufacturing businesses, such as window and door manufacturers, food manufacturers, and metal working, which are also well represented. Health care businesses are concentrated in in the north end of the city.

Frequency of survey response by industry is presented in Table 1. Industries that had more than 10 responses included Retail Trade, Food Services (restaurants, cafés, or bars), Manufacturing, Health and Social Services, Construction, and Fast Food. Together, the responses from the two Food Services categories constituted 28 out of 160 respondents, or 17.6% of our sample.

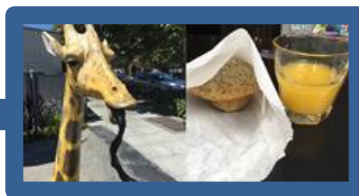


TABLE 1: Survey Responses by Industry

Industry	Count	Percentage
Retail Trade	20	12.5%
Food Services, Restaurant, Cafes, Bars	18	11.3%
Manufacturing	15	9.4%
Health and Social Services	12	7.5%
Construction	10	6.3%
Food Services, Fast Food	10	6.3%
Professional, Scientific, and Management	8	5%
e-Commerce, Communications, Technology	7	4.4%
Other Services	7	4.4%
Finance and Insurance	6	3.8%
Real Estate and Rental and Leasing	6	3.8%
Arts	5	3.1%
Retail Trade, Apparel	5	3.1%
Architecture	5	3.1%
Wholesale Trade	4	2.5%
Fitness, Recreation, Athletics	4	2.5%
Biotechnology	3	1.9%
Entertainment	3	1.9%
Beauty and Wellness	3	1.9%
Accommodations	2	1.3%
Educational Services	2	1.3%
Food Services, market	2	1.3%
Transportation, Warehousing, and Utilities	2	1.3%
No industry information provided	1	0.6%
Total	160	100

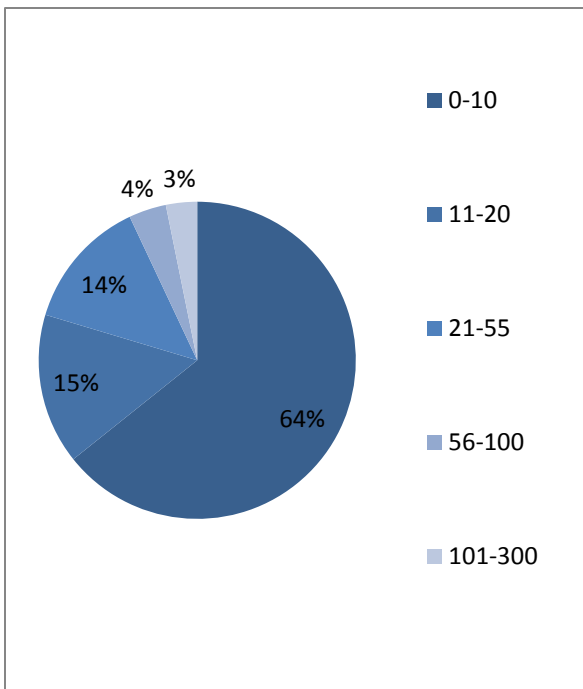


Company Size and Length of Time in Business

The majority of businesses in our sample have been operating for over 10 years. 65.4% of respondents have been in business for over 10 years, and only 10% have been in business for less than three years.

They are also mostly very small businesses. 63.9% of respondents reported having less than 10 employees (See Figure C). Emeryville defines small businesses as having up to 55 employees. In our sample 147 out of 158 (or 93%) respondents fall into this small business category.

Figure C: Number of Employees



Relatively large proportion of small and very small businesses in our sample could be attributed to the likelihood of a small business owner being present during business hours and being able to participate in this study without having to clear corporate hurdles or adhere to strict information sharing guidelines. As a result, they were able to make executive decisions on the spot instead of deferring to the national offices. As discussed earlier, in-person visits led to the highest response rates and getting a hold of a small business owner was much easier than gaining access to the management of a larger firm.

Businesses with 56+ employees are more likely to be nationally owned, or to have office managers or other employees that must communicate messages to upper management, decreasing the personal connection and likelihood of responses.

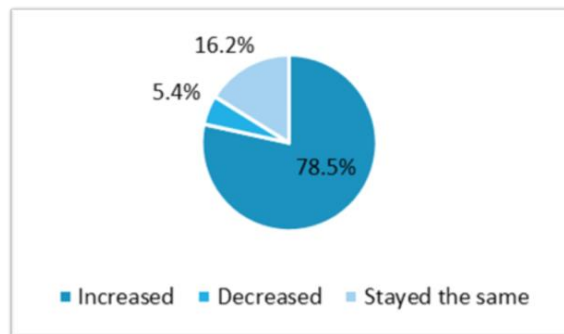


Business Conditions

Sharp Increase in Overall Costs, Modest Increase in Prices and Revenues

To get a sense of the overall financial state of Emeryville businesses, we asked how overall costs were compared to a year ago. The majority of local businesses saw an increase in their costs, with very few experiencing stable costs and only seven reporting a decrease costs.

Figure D: Change in Overall Costs



While the minimum wage increase has definitely contributed to the increase in costs, the majority of businesses that gave us detailed explanations attributed to higher cost of raw materials or services provided by their vendors. Further analysis of write-in responses indicated that Emeryville is also experiencing the rent increases that are affecting businesses across the Bay Area. Table 2 presents a summary of prominent cost increase responses.² Less popular choices included changes in utilities, insurance (including payroll insurance), and state fees.

Table 2: Reasons for Increased Costs

	Count	Percent
Materials and services	22	44.9%
Labor	16	32.7%
Rent	14	28%

Due to a limited number of write-in responses regarding reasons behind rising costs, little insight can be gained about industry specific dynamics. Table 3 highlights some of the identified clusters. The cost of materials was especially noticeable in Arts, Food

² Multiple reasons could be provided by the same respondent.

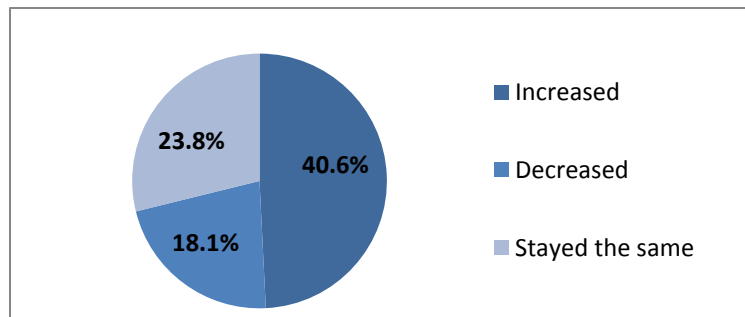
Services, and Manufacturing, while labor costs were a major source of worry for Food Services.

Table 3 Common Responses by Industry

Industry	Materials	Labor
Arts	3	
Food Service	6	8
Manufacturing	7	

While costs are increasing for the majority of businesses, revenues are not keeping pace. 78.5% of businesses are seeing an increase in costs, and less than half are seeing an increase in revenues. Nearly a quarter have seen a decline in revenues since last year.

Figure E: Revenue Changes (n=132)



Increases in revenues (see Table 4) were mostly attributed to an increase in sales. A quarter of the detailed responses attributed their increase in revenue to the general economic recovery.

Table 4: Reasons for Changes in Revenues:

	Count	Percent
Sales increased	12	50% ³
Sales decreased	7	29.2%
Overall economy recovering	6	25%
Prices	4	16.7%

³ Note that only 24 businesses gave us detailed responses with some listing more than one reason, therefore the total count exceeds 24.

Workforce is Stable despite Rising Payroll Cost

Despite the introduction of the minimum wage increase ordinance, businesses did not see much change in their workforce size.

Respondents were asked about both their current size (category) and the size (category) before the implementation of the minimum wage ordinance. Table 5 shows that overall we did not see a shift in company size at the aggregate level. Some respondents did not fill out both 2016 and 2015 firm size information. Therefore, they were excluded from this comparison.

No major shift in company size

We also looked at transitions from one size category to another. This analysis is presented in Appendix A and shows that most companies maintained their size (with the clear dominance of diagonal elements in the matrix representing transitions from one category to another) with the remaining companies equally divided between the ones growing and declining in terms of size.

Table 5: Number of Employees Before/ After Implementation

	2015	2016
0-10	83	84
11-20	25	24
21-55	21	19
55-100	3	5
101-300	4	4
Total	136	136

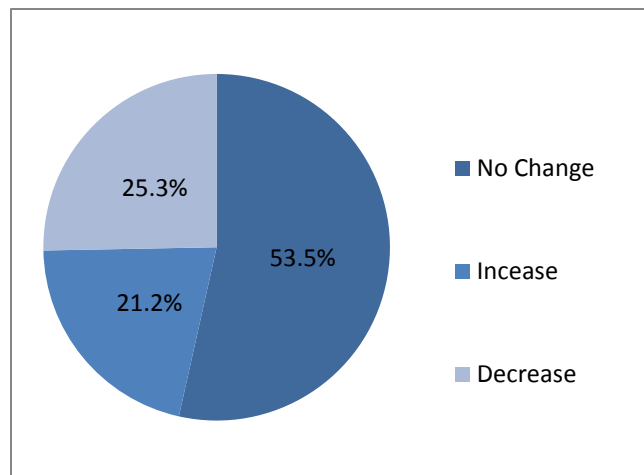
Full-Time Employment Remained Steady

Close to half of the businesses surveyed saw no change in the number of full time employees. The percent of businesses that saw an increase or decrease was split fairly equally, leaving Emeryville with a steady level of overall full time employment.

Respondents were asked to write in the exact number of current full time employees (those working 35 hours or more a week), and the number of full-time employees their firm had as of July, 2015, i.e., before the implementation of the minimum wage ordinance. Because size categories do not detect exact changes, by allowing businesses to fill in the exact numbers we could detect how many had actual change in full time employee status. Some businesses may respond to increases in labor costs by reducing employee hours.

Of the 99 businesses that responded to both questions, 53.5% saw no change in full time status. 21.2% saw an increase in full time employees, and 25.3% saw a decrease. A possible explanation for the almost equal increase and decrease in full time employees could be impacts from the minimum wage ordinance coupled with a rebounding economy and accompanying business growth.

Figure F: Change in Full-Time Employees



By industry, food services saw the most consistent increase in full-time employment. The construction industry saw a split between “no change” and a “decrease” in the number of full-time employees. Manufacturing remained stable.

Table 6:
Change in Full-Time Employment:
Industries with the Highest Number of Responses

	No Change	Increase	Decrease	Total
Construction	4	0	3	7
Food Services	12	10	1	23
Retail Trade	4	2	5	11
Manufacturing	7	2	0	9

Payroll Costs Have Increased

Over half of the 128 businesses who provided a response to this question have seen an increase in payroll costs, whether due to the increase in minimum wage or raises to keep up with the Bay Area cost of living. Nearly a quarter saw an increase of 10% or more. See the detailed breakdown of payroll changes in Figure G and the overall percentage breakdown in Figure H.

Figure G: Change in Payroll

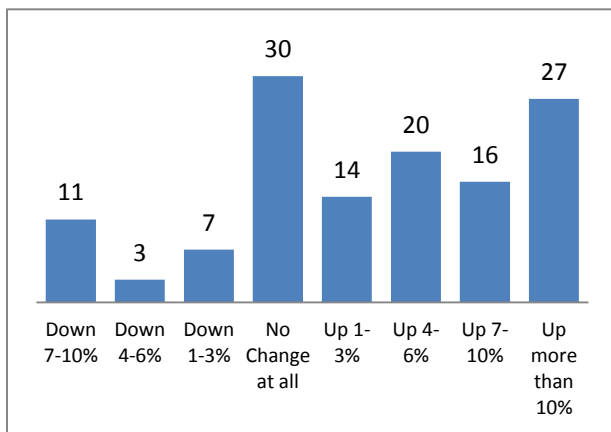
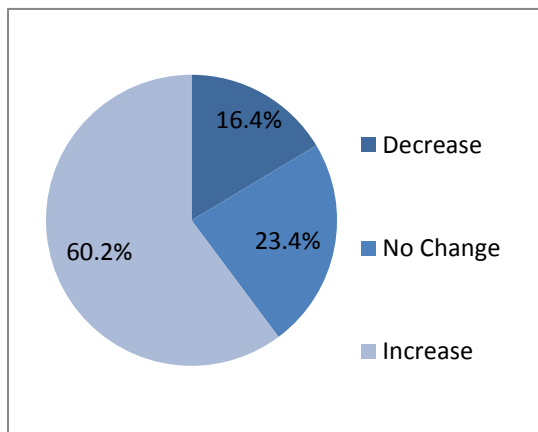


Figure H: Payroll Cost Changes (%)



Food Services was one industry that is seeing a particularly sharp rise in payroll costs. 20 out of 28 (71.4%) of food service businesses indicated an overall increase and 10 out of 28 (35.7%) report increases of more than 10% in payroll costs. This industry also shows a corresponding increase in both the number of full-time employees as well an overall increase in payroll costs. Table 7 shows highlights from other industries with large representation.

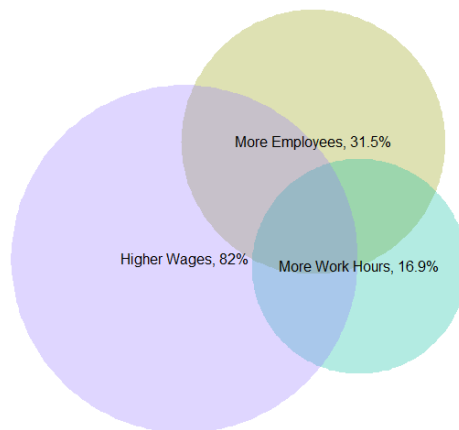
Table 7: Payroll Changes in Industries with the Highest Number of Responses

	Decrease	No Change	Increase	Total
Construction	0	1	8	9
Food Services	6	2	20	28
Health and Social Services	0	3	7	10
Manufacturing	3	7	3	13
Retail Trade	1	7	8	16
Architecture	0	0	5	5

Higher Wages is the Main Cause of Payroll Increases

The majority of responding businesses attributed the increase in payroll to higher wages. 82% of 89 businesses checked higher wages, 31.5% said they hired more employees and 16.9% said they increased the number of worker’s hours. The Venn diagram in Figure I illustrates the frequency and extent of overlap between response categories.

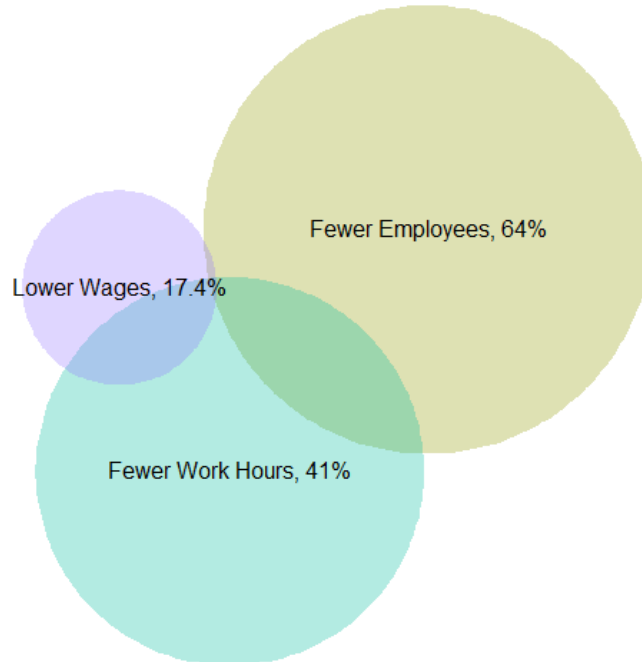
Figure I: Venn Diagram of Reasons for Payroll Cost Increase



Respondents were also able to provide additional, open-ended responses (available in APPENDIX B at the end of this document). Taxes, insurance, and compensation packages were also mentioned as other sources of payroll cost increase.

For the few businesses that saw a decrease in payroll costs, a reduction in employees and work hours were the main reasons for the decline. Of the 17.4% of businesses with a decrease in payroll costs, 64% attribute the cause to fewer employees. 41% attribute the cause to fewer work hours, and two respondents give the reason of lower wages. The Venn diagram in Figure J shows the frequency and the degree of overlap between the three response categories. Diagrams are not to scale with each other.

Figure J: Venn Diagram of Reasons for Payroll Cost Decrease



Prices are not rising at the same rate as overall costs and payroll costs

Slightly more than half of respondents reported increasing their prices over the last year. Slightly less than half kept prices the same. When changes in prices were compared with changes in revenues, only 31.7% of businesses (39/123), had corresponding increases in price and revenue (see Appendix C). Figures K and L provide a detailed breakdown of price increases among the surveyed firms.

Figure K: Price Change (%)

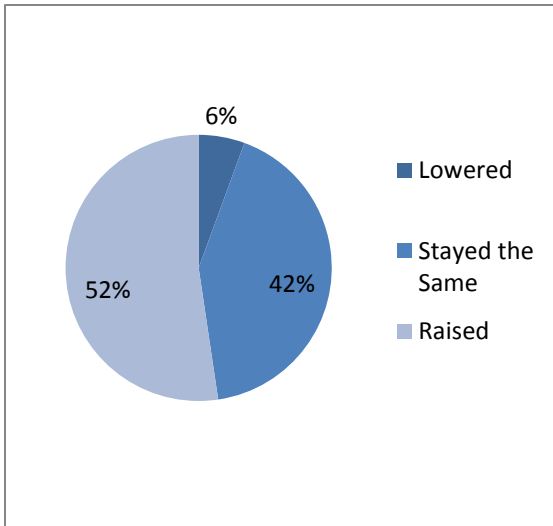
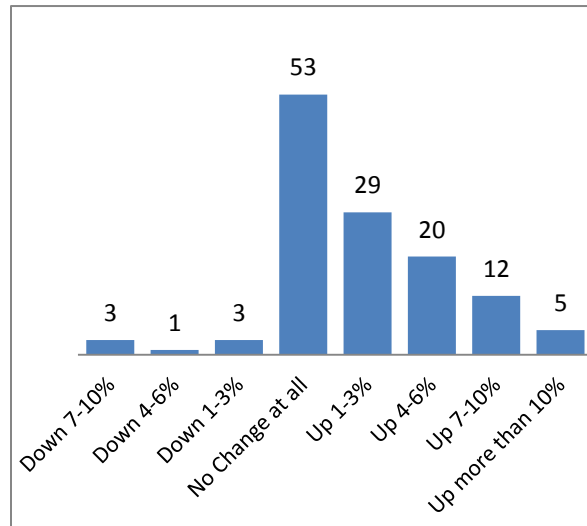


FIGURE L: Price Change Counts



37% of business raised prices above 4%, outpacing the overall price index increase of the San Francisco Area. For comparison purposes, the price index increase for the San Francisco area was 3.1% for the period from August 2015 to August 2016. The price index for all items with food and energy removed was 4.1% for San Francisco. Cost of shelter was the item primarily responsible for large proportion of the increase⁴.

Businesses were able to include detailed responses explaining the reasons for the changes in prices. Full comments are available in APPENDIX D at the end of this document.

⁴ "Consumer Price Index, San Francisco Area — August 2016". Retrieved October 18, 2016 from http://www.bls.gov/regions/west/news-release/consumerpriceindex_sanfrancisco.htm

Food services show the most concentrated increase in prices by industry. Construction, Manufacturing, and Retail are mainly split between consistent pricing and price increases.

Table 8: Industry Price Change Highlights

	Lowered	Stayed the Same	Raised	Total
Construction	0	4	5	9
Food Services	2	4	22	28
Health and Social Services	0	8	1	9
Manufacturing	1	7	6	14
Retail Trade	3	6	9	18

Anticipated Future Challenges and Changes

Close to Half of Businesses Anticipate Changes in the Near Future, Mainly to Prices

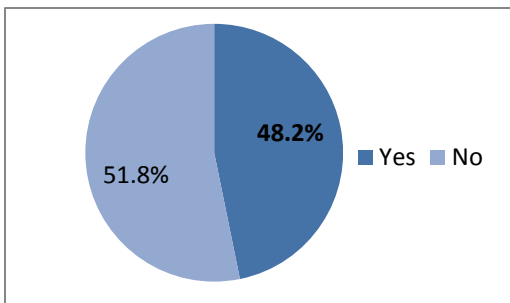
Slightly less than half of businesses surveyed are expecting to make changes in the near future. Of the 67 that

reported anticipating changes, 27 expect to raise prices. Other popular changes are outlined in Table 9.

Table 9: Anticipated Changes in the Next Six Months

<More than one change per respondent is possible>

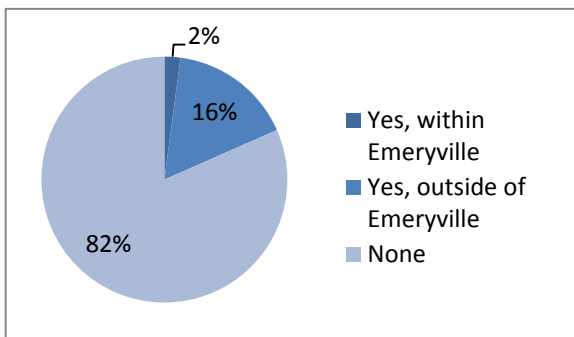
Figure M: Expected Future Changes in Employment, Wages, or Prices (n=139)



Change Type	Count
Price Increase	27
Increasing hours	16
Wage Increase	15
Reducing Hours	5
Reducing training/entry level positions	4

Most Business Do Not Anticipate Moving

Figure N: Plans to Move (n=141)



To get a reading on the stability of the Emeryville business environment, we asked whether businesses were planning on changing locations within the city or had plans to move to a different location outside of the Emeryville. 81.6% of businesses have no plans to move to a new location at all.

Finding Skilled Employees, Rents, and Personal Costs of Living are Critical Challenges Facing Emeryville Business Owners

According to the survey respondents the areas of major concern are (1) finding employees with the skills and experience needed, (2) rising property values and rents, and (3) personal cost of living. It appears that permits, zoning, city infrastructure, crime and blight, and access to credit are not seen as challenges at this time.

Table 10: The Perceived Importance of Various Challenges

Industry	Not a challenge	Minor challenge	Major challenge, but managing	Critical Challenge
Accessing Customers	36%	24%	16%	9%
Finding employees with the skills and experience needed	19%	16%	31%	20%
Rising property values and rents	22%	25%	23%	18%
Personal cost of living	14%	31%	26%	16%
Ability to invest or make changes to business	28%	25%	20%	12%
Crime and blight	43%	29%	9%	4%
Taxes and regulations	24%	34%	20%	8%
Permits and zoning	46%	26%	9%	3%
Lack of adequate city infrastructure	50%	28%	6%	2%
Accessing credit	55%	18%	8%	5%
Accessing regional or international markets	58%	16%	4%	4%

Findings Regarding Minimum Wage and Paid Sick Leave Ordinances

In July, 2015, the City of Emeryville introduced a minimum wage ordinance that increased the minimum wage to

“Someone has to lead. The increases are necessary”

\$12.25 per hour for businesses with 55 or fewer employees and \$14.41 per hour for businesses with more than 55 employees. The previous minimum wage was \$9 an hour, representing a 36%

jump for any minimum wage based small businesses, and a 60% bump for large businesses.

Minimum wage increases have been enacted around the Bay Area as a way to help wages keep pace with the rising costs of living. The City of Emeryville Community Development Department wanted to not only assess the economic state of local businesses,

but the reaction and feeling towards the city with the new minimum wage and paid sick leave ordinances.

“I wasn't surprised but feel that it only screws small businesses.”

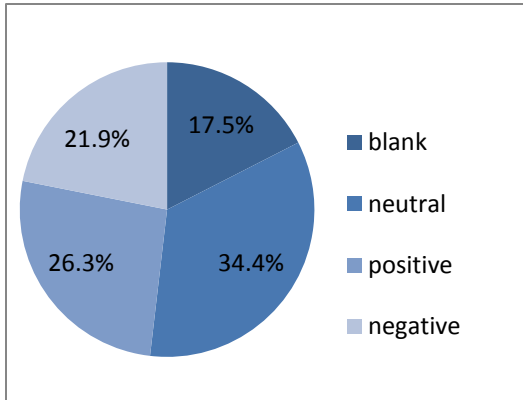
Reactions to the Minimum Wage Ordinance are mostly neutral

To capture the full range of possible responses, the survey asked respondents to give qualitative reactions to the minimum wage increase. Responses were first grouped into general categories of neutral, positive, and negative. Two researchers independently cataloged responses, then tested inter-rater reliability statistic to make sure that there was a consistent interpretation of respondent's answers. The initial run indicated a very high Cohen Kappa statistic (over .90) indicating that we had a high degree of agreement between coders. Minor discrepancies were then resolved.

The largest group of respondents expressed neutral opinions about the minimum wage. If we assume that a lack of response also indicates neutrality, then roughly half of businesses surveyed are not very affected by the new ordinance. Positive responses slightly outweighed negative responses.

“Our wages exceed minimum wage”

FIGURE O: Response to Minimum Wage Increase (n=160)



“It's always hard on a business for minimum wage to increase. However, we do understand the rising costs in the Bay Area”

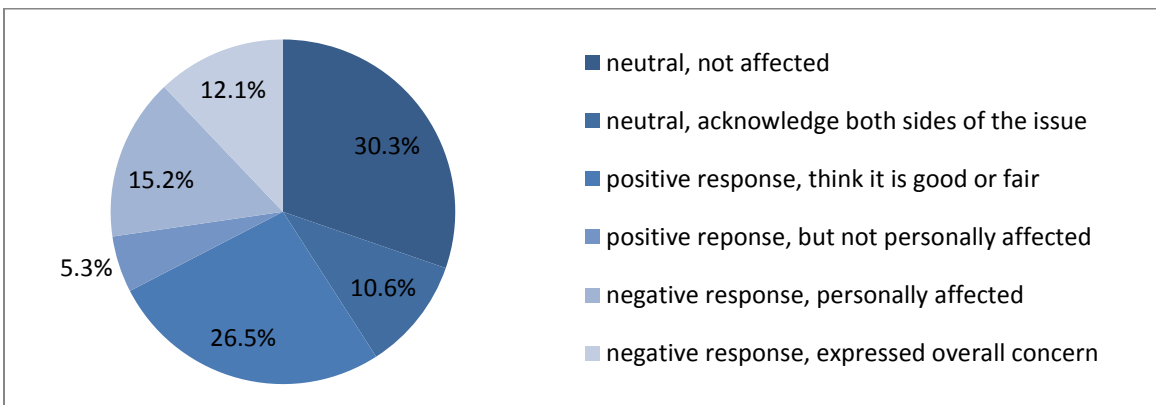
Six general trends further typify business response. Businesses were either not affected by the minimum wage or could see conflicting benefits and negatives to the new ordinance if they were neutral.

Positive responses were typified by those who were generally supportive of the ordinance, and those who expressed

ideological support and also acknowledged that they were not personally affected by the increase.

Negative responses included respondents who expressed an overall concern about the ordinance, and those who were personally negatively impacted.

FIGURE P: Nuanced Response to Minimum Wage Increase (n=132)



“Not happy since many of our minimum wage employees are 15.5 - 18 years’ old who require a lot of management.”

While the minimum wage has been a contentious issue for some businesses, not only are the majority of businesses either neutral or supportive, most have not made any changes to their business in response to the ordinance. Two thirds of businesses report making no changes in response to the change, while one third have been directly affected.

The industry that appears most impacted is the food service industry. 64% of food service respondents have a negative opinion of the ordinance, with 32% feeling personally affected. Anecdotally, researches were told that the minimum wage skewed the fairness of pay between front of house and back of house workers and tip systems. It appears from these stories that no real successful adjustment has been implemented so far.

The other major industries report mainly neutral or positive responses. Manufacturing was 50% positive and

“We had personal days prior to the ordinance and since altered this time to paid sick leave “which is less” accommodating (must be used for sick leave)”

29% neutral. Retail was 50% neutral and 35% positive.

Reactions to the Paid Sick Leave Ordinance are also Mainly Neutral

Responses to the Paid sick leave follow a similar order and break out as that to the minimum wage. Most businesses are neutral in their response, with a slightly larger positive opinion to negative.

“Sick leave is a reasonable need.”

Industry reactions also follow a similar pattern. 44% of Food Service had a negative opinion of the ordinance, with 30% feeling personally affected. 66% of Manufacturing was neutral. 50% of Retail had a positive opinion on the ordinance.

Figure Q: Reaction to Paid Sick Leave

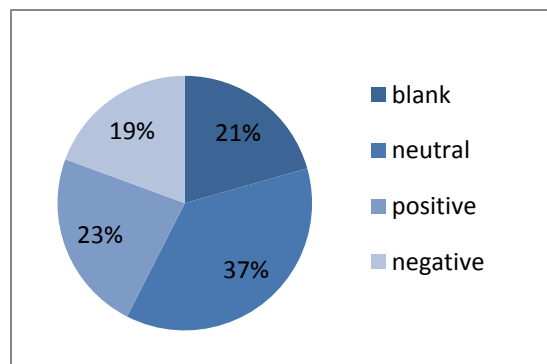
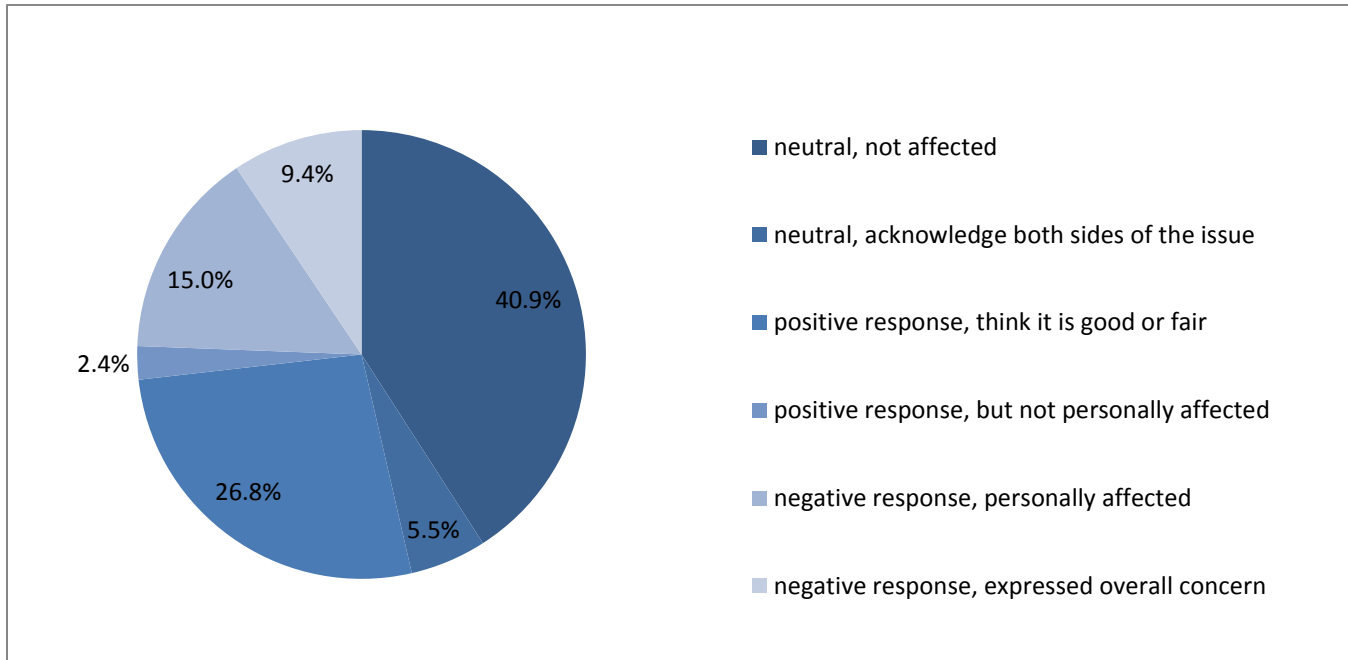


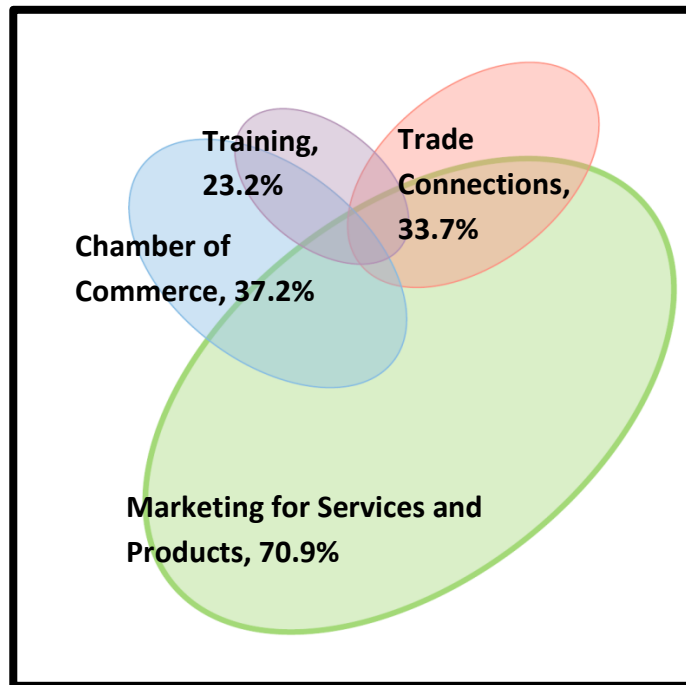
Figure R: More Nuanced Reaction to Paid Sick Leave Ordinance (n=127)



Ideas for Support from the City

The City of Emeryville Community Development Department expressed interest in developing services for businesses. To get a sense of what types of services would be most desirable, we asked businesses to choose what pre-identified services would be of use to them and also gave room for additional comments. The majority (70.9%) expressed interest in marketing for their services and products, 37.2% expressed interest in a Chamber of Commerce, 33.7% would like assistance making trade connections, and 23.2% would like training on how to implement new ordinances. FIGURE S presents the summary of these responses.

Figure S: Venn Diagram of Major Types of Support Currently Needed



Write-in responses included a wide range of suggestions that could not be organized into common themes. Comments ranged from suggestions such as “Affordable housing for young professionals, an Emery-go-round with express service,” and “Job Fairs - connecting people who need work” to “Public Transportation is tough from BART,” and “Reverting to state law in areas of employment and labor law.” Full comments (excluding NA responses) are available in Appendix E.

List of Firms Open to Being Contacted by the City

As one of the deliverables for this project we compiled the list of Emeryville business owners/managers who would like to participate in future surveys. We also compiled the list of the firms open to being contacted by the City of Emeryville. We believe that establishing open lines of communication with local businesses is critical to the future of Emeryville as **businesses expressed desire for being consulted before the implementation of future ordinances (especially when it comes to the pace of introduction) . Some business owners indicated that they supported the minimum wage ordinance but would have preferred a more “reasonable” implementation timeline.** In the future, they would like a seat at the table when the ordinances and their implementation schedule are discussed. The list of business along with contact information was provided in a separate file.

APPENDIX A: Cross- tabulation of for Firm Size Category Change.

Count		How many workers do you currently employ at your Emeryville locations?					Total
		0-10	11-20	21-55	56-100	101-300	
How many workers did you employ one year ago? (July, 2015)	0-10	74	8	1	0	0	83
	11-20	8	14	3	0	0	25
	21-55	2	2	14	3	0	21
	56-100	0	0	1	2	0	3
	101-300	0	0	0	0	4	4
Total		84	24	19	5	4	136

APPENDIX B: "OTHER" Reasons for Payroll Increase (Listed in Alphabetical Order)

60% increase
Gave a company pay raise across the board too.
Health Care Costs
Increased Commissions
More programming
Taxes
The min. wage did not affect us as all our employees make more than minimum.
We changed our compensation package to stay competitive.
We have an increase but only slightly as we have had to reduce staff in order to afford to pay competitively. Everyone has to pitch in and do other duties

APPENDIX C: Cross – tabulation of Revenue and Price Changes

Count					
		Change in prices			Total
		Lowered	Stayed the Same	Raised	
Compared to a year ago have your revenues	Increased	2	19	39	60
	Decreased	3	12	11	26
	Stayed the same	1	22	14	37
Total		6	53	64	123

APPENDIX D: Reasons for Price Changes (Listed in Alphabetical Order)

All of our expenses have increased, so we raised prices to be able to continue to be able to cover our costs. But we are pretty limited to raising prices too high because people won't pay as much for coffee as they will for food. We worry that when the MW reaches \$16-17/hr in a few years, we won't be able to afford to have as many employees as we need to, without going tipless, which we're really afraid to do, because our customers are really varied in how much they tip. If people are forced to tip, and tip at a certain percentage, some of those customers will not come in and sales could decrease again and we would be back to square one, cutting hours, cutting jobs, working those shifts ourselves. Currently, both my biz partner and I work every single shift, 6 days a week, since we had to fire our last employee over a year ago. We have not been able to afford to hire anyone again, permanently, because of the decrease in sales and increase in our expenses over the last year. This MWO is a huge problem, that breaks the back of small business in Emeryville. We are not the only ones who are struggling. Everyone is struggling.
because we do not want to lose any more customers
But concert ticket prices have increased 10-20%
competitive nature of the business
Contract pricing is higher currently to reflect increased expenses.
cost of cotton is increasing AUR
Demand is up. Market Rate is changing
Due to production costs in our factory we had to increase the cost of glass (our primary product) by 12%.
Due to the increase in the cost of some materials, mainly leather, some of our styles went up \$5 - \$10
Following sale price formulas provided by franchise
Had to raise our prices to offset wage increases.
HIGHER COST OF GOODS.
Higher material costs
In the current economic conditions, it is difficult for me to raise my prices.
Increased prices on certain ticket items but not all across the board.
inflation
insurance costs
just the classic Vans went up \$5

Many price increase in years prior to 7/15
material costs, insurance, etc. have increased
N/A. We are a non-profit.
No choice
not relevant to us
Our hourly rates have increased as indicated. Our fees are typically tied to a % of construction cost, therefore to the extent that construction costs rise, our fees typically rise, but it's difficult to track..
Our Wholesale Prices increase annually.
Price of insurance remains the same for all Transamerica companies as determines by the home office.
small price increases to keep up with rising cost of production
the cost of inquiring the product can be seasonal
This doesn't really apply to us, as our B2B prices are not affected by local conditions
to compete with the internet
to cover employee raises
We are a Canadian Company, so we increased prices to somehow overcome the weak Canadian Dollar.
We are a wholesaler competing internationally - if wages increase in Emeryville we can't pass that on as it doesn't affect our competitors and their pricing.
We have no sales. We are a startup.
We have progressively raised prices leading up the minimum wage hike and in the months since the change. \$1-\$3 per drink in general.
We haven't changed our prices per se, but we have had to offer discounts almost every week just to get people to buy something.
We sell in a national and international market and so cannot raise our prices to adjust to a local issue. Our prices are fixed by the market not by choice.
Yes, last years increased costs

APPENDIX E: Write-in Responses for Help from the City (Listed in Alphabetical Order)

Addressing the permit process and reducing the need to present to City Council for every minor change in a project. More flexibility in addressing individual situations.
Affordable housing for young professionals. An Emery-go-round with express service.
Any marketing would be great. Police in the Marina are still needed- foot patrols. Cars and boats get broken into.
As a business owner for 11 years in Emeryville there is little to no recognition and or support of local small business in the area. Any marketing and PR is totally on our own shoulders. There is no community for businesses to receive adequate and timely information on anything related to our business endeavors. We desperately need a Chamber of Commerce or other city supported business organization. The arts are supported but business which brings in revenue for the city is not.
Atres grants for full time artist/ teachers who actually work and live in Emeryville
BART stop
build some parking infrastructure
business loan
Community Bulletin Board, I have tried contacting the City of Emeryville and it has been a struggle to get someone on the phone.
Consider impact on existing businesses when approving construction and or rezoning.
crime control
Disability access in our building. The owners just put in automatic front door opening but only after a push and now I would like automatic door openers for the restrooms on our floor.
EPD support
For such a small city, it seems having a business directory would be useful for small businesses such as ours. We could very happily and easily support local businesses with our services.
For the city to take the time to study the impact that ordinance changes will have on small businesses, as well as larger corporations. The relationship is co-dependent. Large corporations bring in shoppers to Emeryville. Without them, small businesses see only locals. Changes are made less than 6 months after proposals, which really isn't enough time to consider the positive, and potentially negative, impacts that these changes may incur.
Fundraisers, other ways to get the word out (marketing)
Get a council that cares for the city not their own political agenda
Having council hear what Emeryville small businesses have to say.
Improved Homeless management
It would be best if the city government would get out from making decisions about businesses in Emeryville. If the government starts running businesses, the country is going bankrupt!!!
Job Fairs - connecting people who need work
less regulation
marketing Emeryville as a brand location
Networking with neighbors or similar organizations within the city

Not enough street parking for our customers, an issue of density and growth. Also, would love training subsidies.
nothing I can think of right now
Public Transportation is tough from BART.
Reverting to state law in areas of employment and labor law
shouldnt accept a job from him beacause of blight in neighborhood create jobs program, he has a hard time finding high quality employees in his trade. concerned that one guy did
sick pay law unclear, very very unclear and unworkable
small business loan support
strong yes chamber. The city staff have all been so great, realistic, service orientated, and very approachable.
Tethering/deferring the city's MWO to the state's so we have an even playing field with our neighboring cities. Not passing the scheduling ordinance. Freeze MW to match neighboring cities to prevent competitive disadvantage.
They do a good job. No issues.
Training and Street cleaning better in the afternoons. Business license tax increased which impacted my feeling of Emeryville not as business friendly
We could use support from the City in the form of the city council leaving ministerial work to the staff so that they aren't afraid to do their jobs and get things done. In the past several years, the staff has lost its initiative and confidence as the city council has increasingly encroached on minor permitting and design issues that outside of their expertise and don't affect city-wide policy. It's a great city, but the council is not strategic, not effective and focused on very small things and very symbolic issues. Would be great to have them focused on transportation infrastructure, linkages to BART, parking, parks and attracting non-profits with funding to build affordable housing. In my opinion, the MWO was symbolic. Most jobs in Emeryville are professional jobs that are salaried. the MWO raises the cost of hiring locally and thus makes it easier to automate or outsource. The unintended consequences probably equal the marginal benefit of the ordinance.
We do not feel we need support from the City on any of the above listed items.
We have actively engaged with the City of Emeryville and will continue to look for opportunities. Establishing a new Chamber of Commerce would be healthy for our community.
We were active members of Emeryville chamber
we work with apartments and multifamily housing, but only work with 2 buildings in Emeryville. it would be cool to work with more complexes.

**APPENDIX F: Complete Set of Qualitative Responses to Minimum Wage Reaction Question
(Listed in Alphabetical Order)**

about time
Agree
All for an increase, BUT the increase was too much too fast. We hire high school and college students with no prior work experience - these people take the job for the learning experience - not b/c the pay financial supports them or their family. With the higher min wage the nature of the experience we can offer them really Changes to one with far less training for them.
Already made \$15 hr a minimum
angry
At first we were warned about our head office thought but nothing has changed
Automate.
Awesome!
bad idea
Concern
Confirmed compliance, already met
Did not like
Disappointment, it was too fast and furiously implemented, thus driving away innovation and potentially new small business. It is not in line with state or nearby city regulations so why would business stay in Emeryville when other areas are easier to work in?
Doesn't affect us, the salaries we pay are already much higher than minimum wage
Doyle Street Cafe paid more than minimum wage before the law came out but it is uncertain how to manage \$14/hr
Excellent!
excited
Excited
Existential terror. Fury, that is not known before we choose to locate in Emeryville. Not because of the initial bump, which we supported to Oakland levels, but the prospect of outpacing neighbors with no off ramp in case of economic slowdown or negative impact.
Fine
Frustration. No tip credit means that my bartenders, who were already making upwards of \$54/hour counting tips, were being given a \$3/hour raise. We do more sales than we did 3 years ago and I make less money. My bartenders were already making a fantastic living with benefits now make nearly as much as I do.
glad for workers
Glad it happened so people can afford to live here but concerned for small businesses
Glad to hear it. Our lowest paid employee makes more than 2X Emeryville min. wage.
Good

Good for the employee Bad for the small business owners like me who suffer every month to pay rent
Good idea. Impossible to live on Bay Area on minimum wage. All out employees are salaried.
Good! People need to be able to make a living wage
Good. People need a hire starting point in our area.
Great
great!
Great!
Great. The 1% will pay. Or as shown in a Simpson episode, ""let them have their tartar sauce.
happy
happy employees need it.
Happy/Concerned.
have to increase the business to make up the difference
I did understand how that could be good for Emeryville. With the increase I have had more applications from surrounding areas and have not hired a new employee from Emeryville.
I don't have any employees so none
I moved here because Emeryville had lower operating costs. The increases make it harder as a small business. I do support living wages and would have done this for my employees on my own. Also think minimum wage is a circular logic as it drives all prices up.
I personally support the minimum wage increase, however it does not affect our business.
I support a higher minimum wage.
I think it is fine and a good wage to pay people. Personally agree with the parameters.
I was fine with it. All of my employees make more than the proposed minimum wage, so it didn't affect my business much. I believe in paying a living wage.
I was scared that they were raising it too high, too fast.
I was stressed. We make such a low profit margin in the salon and spa industry. This cuts in more deeply into our profitability, I truly have no problem as an owner in wanting to paying for a better way of life for my employees, however, due to the high rental costs associated with occupying our salon, the cost of doing business simply needs to be lowered in order to keep up with the labor cost changes. The minimum wage increase really wouldn't be an issue if I could have better savings in rent costs. I would pass those savings onto my employees in higher wages. All my employees cite the biggest drain on their personal bank accounts is the cost of housing. The cost of housing in California needs better management, so as not to gouge residents' pocketbooks.
I was surprised and shocked that they went through with the ordinance without taking proper time to research the effects, to dialogue with local businesses and perhaps at the least implement a less aggressive rise in such a short amount of time.
I was upset that the wage increase affected only hourly employees. I did not see a pay increase, as I am salaried and already above the minimum wage. Currently, employees under me make just about as much as I do.

I wasn't surprised but feel that it only screws small businesses. Feel concerned about small businesses.
I will never be able to hire and train an entirely untrained worker. In the past I have hired many untrained young people, even some just out of juvenile detention, and helped them learn how to work at a job, but I won't be able to do that in the future. It was a gamble at \$10/hr.
I've always paid more
If we could find an employee with the skills we need, we would pay well above the minimum wage.
I'm [EXPLETIVE REDACTED]. Not happy
indifferent
It does not affect our office, our employees are on commission only.
It is fair, but we are not making enough to support more employees at this time.
It is still too low to live in the East Bay area without roommates, spouse or rent-controlled apartment.
It reduced the amount of staff we could budget for.
it was fair
It was time to raise the minimum wage, but do it on a regional level, not just one community that will put businesses at a disadvantage.
It's always hard on a business for minimum wage to increase. However, we do understand the rising costs in the bay area so we understand both sides of the argument.
It's good for low-wage workers. It does not affect our business.
made sure employees were making at least that to start
More BS
More unnecessary regulation that creates more work and less ability to manage the business for profit. However, the story has another side, and I believe it may be good for Emeryville in terms of attracting businesses that are able to grow more strongly. So I am not unhappy at this time.
My business opened after July 2015 so the MWO was already in place.
n/a
N/A
NA
Negative.
Neutral to none (didn't really affect us)
no issue
no problem
No reaction
No reaction, none of our employees is at minimum wage.
none
None
none. already pay everyone more
none. we already pay more than min wage
Normal workers not impacted. Our student workers, big impact. Increased pay with costs on the clinic we may lose money at the clinic.

Not a problem, we do not hire minimum wage workers
Not affected
not good
not good for boss
Not happy since many of our minimum wage employees are 15.5 - 18 years old who require a lot of management.
Not much. Won't affect our employees.
Not worried
oh my god... we need to raise the food price, which customers don't like..
OK
open
Our clients have dropped participation - couldn't afford advertising
Our wages exceed minimum wage
positive
Positive
Positive, but it doesn't affect us because all employees are paid way beyond minimum wage
positive.
Positive. Cost of living in the Bay Area should be matched with decent, morale-preserving wages.
relieved by the fact we run our business with a small staff. More important now that part time employees are productive.
Self-employed, not planning on hiring
shocked, the owner did not want to pay more to the employees
shocking
shocking since it was so high, but good for employees
So dissatisfied with city
Someone has to lead. The increases are necessary. Good
sounds good
Supportive
Surprise, but happy the change has come
Surprised. There was poor communication and little notice.
That this is a symbolic measure that will not affect many people. Since the city did no research on the number or low-wage jobs or the industries affected, their attempt was speculative and political rather than substantive. Further, businesses don't have to leave for jobs to leave. Many jobs can simply be outsourced to contracting firms based in other cities. Any work done on a computer can be done in Idaho. For a city this size to raise its minimum wage was short-sighted, and not likely to positively affect many people.
The min wage was in line with our neighboring cities, however, the paid sick leave is going to be abuse by employees (some of them).
The minimum wage had no effect as we were already paying hourly wages over the minimum wage.

There is no study, the decision was already based on 5 council member knowledge who has no experience in small business (none of them are business owner). It is pretty obvious that Emeryville doesn't encourage one to one the business since the risk and investment is much higher.
They could have phased it in, a 30% increase is no joke.
This area is expensive to live in, makes sense to increase it.
thought it was a good thing. I already paid over that so it didn't really affect me.
too fast too much increase
Very happy
very positive
We felt like we had to give everyone a raise so they would stay.
We have to pay our employees but the payroll expenses are becoming too high.
We just moved to Emeryville and all of our employees are above \$20/hr so it didn't affect us.
We knew before our stores opened that Emeryville employees will have one of the highest minimum wages in our company, we just followed regulations and hoped that there would be less turnover because we were offering a living wage that was high enough.
We laid off about 20% of our employees.
WE SUPPORT THIS.
We were not concerned as our company has a union contract plus employees have been here long enough that they are above the minimum.
Worried that unless we raised our prices too that I would make less money.