



AMERICANS for TAX REFORM

June 22, 2021

Dear Member of Congress,

On behalf of Americans for Tax Reform, I write in support of H.R.1718, the “Ensuring Economic Recovery Act” sponsored by Rep. Beth Van Duyne (R-Texas). This bill requires the Small Business Administration (SBA) to investigate and report on the effects of a \$15 federal minimum wage on small business pandemic recovery efforts.

All members of Congress should co-sponsor H.R. 1718.

Over the past year, the COVID-19 pandemic has crushed hundreds of thousands of small businesses. The government exacerbated this economic damage with lockdowns and unemployment payment expansions that led to many Americans making more at home than in the workplace.

The next few years will be crucial for the long-term survival of American small businesses, who are now contending with a labor shortage and the threat of inflation thanks to President Biden’s reckless spending.

In the face of all this economic uncertainty, a \$15 minimum wage is the last thing small businesses need as we come out of the pandemic. This would substantially raise the cost of labor, especially during a shortage, as small businesses are already struggling to pay their employees and keep the lights on.

A \$15 minimum wage would kill millions of jobs. In 2019, the nonpartisan Congressional Budget Office [estimated](#) that a nationwide \$15 minimum wage would cost at least 1.3 million American jobs, and could cost as many as 3.7 million at the high end. Another [study](#) shows that a \$15 minimum wage would disproportionately impact women and shut out young, low-skilled workers attempting to enter the workforce for the first time.

A \$15 minimum wage has repeatedly failed at the state level. When Seattle implemented a \$15 minimum wage, [thousands of jobs](#) were lost, while other workers saw a reduction in hours worked. New York City’s minimum wage increase [forced](#) 75 percent of restaurants to cut employee hours, and nearly 50 percent to eliminate jobs entirely.

As some lawmakers continue their efforts to double the federal minimum wage to \$15, it is crucial that Congress knows how such proposals would impact small businesses. H.R. 1718 does this by requiring the SBA to study the recovery of small businesses from the COVID-19 pandemic, including the effects of a nationwide \$15 minimum wage. The bill also includes a trigger for a second study in the event legislation is passed that imposes a \$15 federal minimum wage.

If implemented, H.R. 1718 ensure that all lawmakers have access to the data they need to prevent further damage to American small businesses and job loss for American workers.

All members of Congress should cosponsor the Ensuring Economic Recovery Act.

Onward,

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