

PLenty of sunshine  
68°  
High 73°  
Low 47°  
Sun  
Wind: SE 10-15 mph  
Air Quality: Good  
View: Clear  
Humidity: 65%

# The Atlanta Journal-Constitution

Complete. Complete.

D2 CIRCULAR, CANTON, NO. COMPLETE

THE ATLANTA JOURNAL-CONSTITUTION SUNDAY, FEBRUARY 21, 2021

## BUSINESS

### NEWSMAKERS



**Atlanta Bicycle Coalition** has announced two promotions and a new hire. **Rolanda Powell** has joined Atlanta Bicycle Coalition as advocacy campaigns manager. **Stephen Jones** has been promoted from community engagement coordinator to engagement programs manager, and **Margaret Mullis** has been promoted from part-time communications coordinator to administrative coordinator.

**Cook & James**, the Atlanta-area based real estate law firm known for pioneering at-home closings, has begun the new year with three executive moves and significant promotions for **Richard Skutumpah**.

**Brook Zirk** and **Jamie DiGregory**, Skutumpah's transitions into a role more focused on sales and client development, creating the position of vice president of client success. Zirk is promoted to the role vacated by Skutumpah, vice president of operations, and Jamie DiGregory is promoted to Zirk's former position, director of operations.

**The Atlanta-based American Cancer Society** has named life sciences

industry leader **Alice Pompeo** as its managing director of strategic impact and that invites companies to accelerate the society's mission to fight cancer.

**Hertiges South Coast**, Davin has hired **Pamela Perdue** as senior vice president and chief compliance officer.

**Austin Hackney** has been named executive vice president of the Home Builders Association of Georgia, based in Atlanta.

**Movements Textiles** and **Walking** has announced the appointment of **David M. Kraloff** as the company's new chief executive officer.



Amazon warehouse workers are among those who have benefited from the wage hike in Fresno, Calif., via a 20% state law that has increased minimum wage from \$10.50 to \$12.50 an hour.

### Wages

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West Virginia and Kristen Sinema of Arizona, along with Republicans. Opponents contend that minimum-wage increases will cost jobs, particularly in struggling cities like Fresno. What's more, they say, any broad standard, whether statewide or nationwide, does not account for local variations in the cost of living or business conditions.

According to a study by the Congressional Budget Office, raising the minimum wage to \$15 by 2025 would decrease employment by 1.4 million — but it would still raise 300,000 people out of poverty. The report's conclusions were widely cited by both proponents and foes of the \$15 proposal.

### How the stakes are raised

The pandemic-induced downturn has raised the stakes. Those favoring a minimum wage increase say it is more essential than ever, especially since sectors hit hardest by the pandemic, including leisure and hospitality, have a higher proportion of low-wage workers. Critics caution that raising the wage floor would severely harm small businesses trying to bounce back.

"This is the debate that usually takes place to some academic circles," said Antonio Aviles, chair of the economics department at California State University, Fresno. But the experience of Fresno, an inland city of 500,000 located geographically and economically from coastal metropolitan hubs like San Francisco and Los Angeles,

underlines the core tension between the competing economic arguments. Fresno is the hub of an agriculture-rich area, with produce that includes almonds, pistachios, oranges and grapes. Its economy is tied directly to the agriculture industry, though its location has also made it a draw for warehouses. In recent years, Amazon and the beauty e-commerce giant Ulta Beauty both opened regional fulfillment centers there.

Fresno County, where more than half of the population identifies Hispanic, has one of the state's highest poverty rates, and one of its lowest median wages. The typical local worker in 2019, the last year for which data is available, made under \$17 an hour. A quarter of workers made \$12.50.

Before California enacted gradual increases under its October law, the minimum wage was \$10, a level typical for fast-food jobs and other low-wage occupations.

Some Fresno business owners saw little effect from the raise.

Arthur Mays, who owns Paul Circle Brewing Co., a craft brewery, has not had to reduce his staff because the wage increase had been a slow roll, he said. Instead, he has adjusted both the pay

and the work. "We might increase expectations on the people that are here earning that higher wage," devoting more scrutiny to job candidates and doing more to develop those they hire, he said.

But others, especially restaurant owners like Sergio Killion, say costs are becoming untenable, especially as they contend with the pandemic's effect.

A 2019 study by the University of California, Riverside, funded by the California Restaurant Association, a trade group, found evidence that the rising minimum wage was slowing growth in the state's restaurant industry.

Kris Stueber, an executive at Tom Restaurant Management Corp., which operates KFC and Wendy's franchises in Fresno, said the wage mandate had been particularly tough for restaurant operators like him, who have to allocate a percentage of their profits to things like franchise royalties and advertising fees.

He has not reduced his workforce, he said. But to offset the rising labor costs, he said, he has had to raise prices and look for places to save money. He formed an internal maintenance department because he could no

longer afford to pay an outside company to fix issues like plumbing.

"It's this balancing act — you've got all these balls in the air to juggle," he said.

### Questions abound

Several employers questioned the logic of applying a statewide minimum wage in a place like Fresno, where the cost of living is much lower than in coastal cities. Its voters tinged with resentment, some describe the rising minimum wage as akin to a "payroll tax grab" by the government because payroll taxes for employers already encompass wages and the when wages do.

Some business owners also noted that they had to raise wages for employees already making more than the minimum in keep the pay scale flat. And some mentioned indirect results: When the minimum wage increases, the price of other things, from gas to cleaning services, increases as well.

Heil had his continued. According to the Bureau of Labor Statistics, restaurant employment in Fresno rose by about 7% from the end of 2018 to the end of 2020, before the pandemic — a slightly higher rate than in California as a whole.

"The minimum wage law allows the governor to delay a planned increase for a year if the economy weakens. With the pandemic gutting their industry, restaurant owners in Fresno and elsewhere urged Gov. Gavin Newsom to do so.

When he didn't, some owners were outraged. "It's frustrating as can be," said Chuck Van Fleet, owner of Yano Grill & Spirits and president of the Fresno chapter of the California Restaurant Association. "We've got somebody who's out there saying, 'Hey, I'm trying to do what's right for everybody.' And the only thing he wants to do is increase wages."