

## Grow Guam with growth in minimum wage

Written by BY SEN. BEN PANGELINAN  
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WHENEVER one thinks of the future, it should not be without first understanding and recognizing the actions of today and yesterday. As an elected official, I ensure that a proper understanding of the potential effects any legislation may have on future generations is obtained and there is adequate consideration on how previous legislation may affect any current proposals. If history has taught us anything it is that we must not be bound simply by the limitations of the past but open to the possibilities of tomorrow – just as our graduating students across the island are hopeful and open to the possibilities of their future. Much like the seed of education that was planted many years ago by their parents and teachers, a planting of the minimum wage seed will, in part, shape their future professional and personal successes so that their harvest can be much more fruitful for their families.

In April of this year, Vice Speaker Benjamin Cruz introduced Bill 316 that would, over the span of three years, incrementally raise the minimum wage by 95 cents each year until 2017 when the minimum wage is proposed to be at \$10.10 per hour. Since its introduction, Bill 316 has received an abundance of media attention and debate by both critics and advocates who each cite many decidedly helpful reasons that support their opinions and help, through their discourse, the people of Guam and the Guam Legislature formulate a position on this very important community topic. Despite the pros and cons that have been circulated, there is a history that includes real numbers that should not be discounted or ignored.

Much like in 2007 and 2009, business owners threatened a huge impact to Guam's economy and they were right, though not in the way that they originally predicted. Many business owners warned that they would need to increase prices to make up for their added labor costs just as they are predicting today. The Guam Women's Chamber of Commerce president, Lourdes Leon Guerrero, indicated at a public hearing on Bill 316 that jobs have actually increased from mid-July of 2009 through the present. The number of jobs created was estimated to be at 1,740 while hours worked increased by two hours a week despite economic market losses in 2008. There were no sustainable job losses or cut hours as a direct result of the 2009 minimum wage increase. So what has changed since 2009?

Well, much has changed. The governor is touting that our economy is growing and thriving. The executive branch believes that these growth numbers coupled with the size of recent developments place the economic status for the island in an upswing. If these press releases are accurate and true about our island's economy, then now is the time to increase the minimum wage. Let our minimum wage grow with Guam. Actually, more accurately depicted, raise the minimum wage so that we can grow Guam even more.

There are studies that have shown that raising the minimum wage will also have a positive impact on the economy in terms of spending-spurring growth, the production of jobs and stimulating demand. We have heard our local government economists speak of this impact as well. Additional income earned by low-wage employees is typically spent on goods and services they need immediately. So while opponents of the minimum wage increase have long held that an increase in the minimum wage would undoubtedly lead to a contracting of the economy, we know and studies have shown that this is simply not true. Putting more money into the pockets

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of our people will certainly increase spending power while in turn, increasing spending within our economy at the very businesses that have threatened layoffs or work-hour reductions.

Other statistics show an increase in the number of jurisdictions who are or have increased the minimum wage. Surely those jurisdictions have taken into consideration those very same ideals and forward thinking. In fact, 34 states are considering increases to the state minimum wage. So far, Minnesota, West Virginia, Connecticut, Delaware, Maryland, Washington, D.C., and Hawaii have all enacted wage increases this year. The legislators of these jurisdictions across the nation believed that raising the minimum wage was a good thing and have sided with facts and figures rather than anecdotal threats and suppositions. What are we waiting for?

We all must rise above ourselves such that we ensure that our families, especially our women and children, are provided with a wage that reflects more accurately what is reasonable and just. One of the main purposes for raising the minimum wage is to allow the hardworking people of Guam to provide for their families despite the increasing cost of living they continue to face. The cost of goods and services will continue to rise whether or not a rise in the minimum wage is enacted. We have seen this trend over the last five years. Let us not leave our people further behind.

The current proposal to increase the minimum wage allows time for employers to prepare over the course of the next three years, just as they were allowed to prepare in 2007. Given the much touted growing economy of our island by the governor, now is the most opportune time to enhance this growth with an increase in the minimum wage. Much like our recent graduates, I am hopeful that the seed we plant for the future of our people, most especially our women and children, will provide the sustenance necessary to ensure that our hardworking families are empowered and filled with possibilities for their own successes.

Si Yu'os Ma'åse'