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February 10, 2025

Rep. Liz Berry, Chair  
Rep. Suzanne Schmidt, Ranking Member  
House Labor & Workplace Standards Committee  
PO Box 40600  
Olympia, WA 98504-0600

RE: **Testimony on HB 1764** – Concerning labor standards (\$25 minimum wage, plus new leave benefits)

Chair Berry and members of the House Labor & Workplace Standards Committee:

Please accept this as NFIB's written testimony **opposing HB 1764**, Labor Standards.

Washington's small businesses are still suffering the effects of long-COVID: ongoing workforce shortages, higher costs, lower revenue, job losses, business closures. In response, they've cut expenses to the bone, delayed capital improvements and equipment purchases, raised wages, reduced hours of operation to adjust to fewer workers, and reluctantly increased prices to their customers as a last resort. Legislation like HB 1764 and its companion make recovery appear near impossible.

Every member of this committee has received an email or call from at least one NFIB member doing business in their district who is deeply concerned about their ability to remain in business if HB 1764 becomes law.

Jim, a longtime member and small-business owner with repair shops in north Spokane and Spokane Valley wrote me about the bill today, saying:

*We have had to cut our employees down from 8 to 3 full-time and 3 part-time and we are struggling with all the increases. I have to say I am exhausted from the constant attacks by the legislature and local government. I do not see the benefit ... and it's not going to change.*

Jim's experience is not unique. *Intuit QuickBooks Small Business Index's* for 2024 shows:

**Washington's small businesses**, defined here as having one to nine employees, **shed 3,700 jobs overall last year and 14,600 jobs since 2022**. The job losses may be prelude to a "problematic" contraction in the state's economy this year, *Ufuk Akcigit, the University of Chicago economics professor who developed the index, told the Business Journal, (PSBJ, January 5, 2025).*

Of the 20 states with data available that QuickBooks analyzed, **Washington had the second-largest decline in small-business jobs**, (emphasis added).

If raising wages alone were the cure for workforce shortages, the problem would have been solved by now.

Since the pandemic, NFIB's *Small Business Economic Trends Report* has shown a substantial portion of small business owners doing just that, increasing compensation to attract and retain qualified workers, yet that same report continues to show small employers struggling to find enough workers to fill open positions.

In fact, post-pandemic data shows many more month-over-month job losses than gains, echoing the Intuit QuickBooks index mentioned above.

Similarly, government mandated wage increases fall short when it comes to income inequality, meaningfully increasing total earnings for low-wage workers, and fostering job opportunities for unskilled or inexperienced workers.

Several [academic studies](#) produced during Seattle's phased minimum wage increases beginning in 2014 showed only modest decreases in wage and earnings inequality, reduced hours for low-wage earners that largely offset wage increases, and "... a decline in the rate of hiring of low-wage workers who were not previously employed."

NFIB also opposes the vacation and bereavement sections of the bill. In addition to the tremendous cost of the proposed minimum 20 days of added paid leave, mandating a fixed number of leave days – vacation, sick, safe, family and medical, bereavement – deprives employers of an important benefit that can be negotiated to recruit and retain employees, and undermines the ability to offer flexible scheduling for workers through bundled paid time off (PTO) leave.

For these reasons, **NFIB urges you to reject HB 1764.**

Respectfully submitted,

  
**Patrick Connor**  
 Washington State Director

ACTUAL COMPENSATION CHANGES  
 Net Percent ("Increase" Minus "Decrease") During Last Three Months  
 (Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	36	31	33	34	34	28	32	29	29	30	30	29
2020	36	36	31	16	14	14	15	18	23	23	24	21
2021	25	25	28	31	34	39	38	41	42	44	44	48
2022	50	45	49	46	49	48	48	46	45	44	40	44
2023	46	46	42	40	41	36	38	36	36	36	36	36
2024	39	35	38	38	37	38	33	33	32	31	32	29

ACTUAL EMPLOYMENT CHANGES  
 Net Percent ("Increase" Minus "Decrease") in the Last Three Months  
 (Seasonally Adjusted)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	7	9	12	7	9	5	3	5	4	4	10	6
2020	9	13	8	-12	-16	-16	-11	-12	-6	-2	-2	-5
2021	0	-3	-2	1	-5	-2	-6	-8	-1	-2	-1	1
2022	-1	1	-2	-2	-4	-2	-4	-8	-4	-2	-3	1
2023	2	4	2	-2	-4	-2	-2	-4	-2	-3	-2	-2
2024	0	-1	-2	0	-2	-5	-3	-6	-4	-3	-1	-3