

**GREATER NORTH DAKOTA CHAMBER
HCR 3032
House Industry, Business, and Labor Committee
Chair Jonathan Warrey
March 4, 2025**

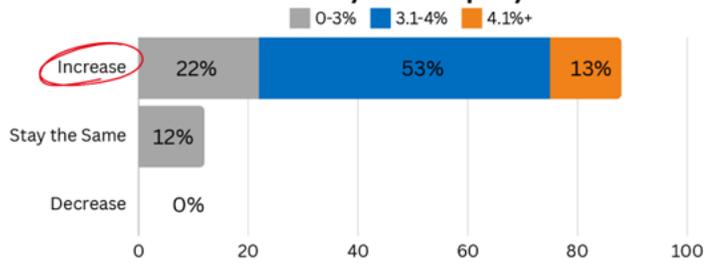
Mr. Chairman and members of the Committee, my name is Arik Spencer with the Greater North Dakota Chamber. GNDC is North Dakota’s largest statewide business advocacy organization, with membership represented by small and large businesses, local chambers, and trade and industry associations across the state. We stand in **Opposition** to HCR 3032.

In our 2024 ND Economics and Employer Survey of our membership, 44% of respondents indicated that they anticipated their number of employees to increase. Additionally, only 4% indicated that any of their employees are paid minimum wage and 88% indicated that they expected wages to increase.

Are any of your employees paid/hired at minimum wage?



How much do you expect hourly wages to increase or decrease in your company in 2024?



Clearly, there are opportunities for individuals seeking both employment and wage increases in North Dakota. Additionally, it’s important to note that an increase in the minimum wage rate does not automatically mean a benefit to the worker or economy. Whenever the government steps in to regulate how a business operates, there are ripple effects throughout the entire business community.

Mandated wage increases can result in fewer jobs as businesses must evaluate the cost increase and determine how they will pay the difference. The expense has to be offset somewhere on the balance sheet. Without an increase in demand for the offered products or services, businesses must reduce costs to maintain acceptable margins for the operations to stay viable.

It is not acceptable to think that a business can raise its consumer prices just to offset this new increase in expense. There are numerous factors that a business must consider when determining costs/pricing. Even if we agree that raising the prices to offset this expense would be acceptable to the marketplace then we must agree that it would not have the intended affect as the workers wage increase would be lost to the increase in costs to the products or services that these workers need or consume.

For a business to find success it must pay employees a competitive wage to attract and maintain a skilled, motivated, and experienced workforce. GNDC believes that the market should be allowed to determine the wages paid. A worker who has developed the skills and training necessary to perform certain job functions can, and should, be able to negotiate for a higher wage due to the increase in value that they bring to the position. A business can, and will, adjust the wages of employees to maintain the quality workforce necessary to operate in a competitive marketplace.



Any increase in the minimum wage can also limit opportunities for those in entry level positions or those with limited skillsets. It is through the practice of giving an employee an opportunity to learn on the job and increase their knowledge and skills that they are able to achieve higher compensation. By arbitrarily setting an entry wage for businesses to pay, employers then have to determine if their organization can continue to offer the opportunity to those workers, thus limiting the possibilities of jobs or training for individuals. The increase in the minimum wage again can have an adverse effect on those that it is intended to help.

GNDC respectfully requests a Do Not Pass on HCR 3032. I would stand for any questions that the committee may have.



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