

Minimum wage to increase in Pennsylvania and how small restaurant owners are responding

By: Lindsey Cook
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[HARRISBURG] Bill 1500 (HB1500) has passed in the Pennsylvania House of Representatives in a 103 to 100 vote which will gradually increase the minimum wage to \$15 an hour starting in January 2026.

This will be the highest minimum wage that Pennsylvania residents have ever seen; the current minimum wage being \$7.25 since 2009.

Some small businesses owners, especially in the restaurant industry, are excited about this raise, including Jennie Groff; part owner of Lancaster Sweet Shop and Stroopies Inc.

“As a small business owner, I was really thrilled to hear this,” she says. “We care well for our workers, their loyalty and how they care for us . . . it’s a win win.”

Stroopies is a small business that hires refugee women starting at \$13 an hour, but Jennie mentions that most employees already make \$15 or \$16 after being with the company for a few months.

But some small restaurant owners aren’t as optimistic. Matt Flinchbaugh, owner of Flinchy’s, doesn’t see the appeal of raising the minimum wage.

“Making the minimum wage \$15, what’s the motive for people to give good service? They’re going to keep making the same rate no matter what . . . My servers make \$30 an hour. Easily. They’re not even going to want to work for \$15 an hour,” argues Matt.

And Members of the House raise their skepticism as well. Rep. Ryan Mackenzie, R-Lehigh, voted against the Bill. He says, “there will be job losses when you increase the minimum wage . . . In something like the restaurant industry, when the rest is made up in tips, all of a sudden when you drive up costs they might have to close.”

Pennsylvania residents can expect to see the first shift in minimum wage on January 1, 2024; to \$11 an hour and to \$13 an hour on January 1, 2025; before reaching \$15 in 2026. Tipped wage will become 60% of the minimum wage.