



EU would lower employment with salary increase

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The increase in the minimum wage to \$ 10 per hour in the U.S. could lead to a substantial loss of jobs in retail companies, service and manufacturing, according to a survey of chief financial officers of companies. 's latest survey by the University of Duke found that nearly half of the retailers (47 percent) and about one third of the service and manufacturing companies said there would be a reduction in employment if the minimum wage rose to \$ 10. "While an increase in minimum wage could help workers keep their jobs, the negative consequence would be the loss of work in this same group of people," said John Graham, director of the survey and a finance professor at the Fuqua School of Business, Duke. Only 10 percent of finance directors in service industries, retail and manufacturing said there would be a reduction in recruitment with a minimum wage of \$ 8.50. The current minimum wage is \$ 7.25 an hour. Moreover, the survey also revealed that a majority of the directors were concerned about the impact of economic uncertainty and future plans of their companies. "69 percent stated that the uncertainty due to the economic policies of government has caused the hiring or retention of investment capital, or cash accumulation "said Campbell R. Harvey, Fuqua professor. Responding to a not very aggressive monetary policy of the Reserve Federal, CFOs expect an increase in borrowing costs in their companies than one percent for the end of this year. U.S. Most companies felt that a slight increase in interest rates will not affect economic growth and less than 15 percent felt that this increase could reduce hiring, lending, and business expenses. Though the change in monetary policy is not significantly reduced optimism among CFOs. 20 percent said their optimism if I reduce a rate hike, while 17 percent said they would increase. Regarding the impact of Fed policy in the world, about 40 percent of principals in Latin America and 33 percent in African companies said their business optimism has declined due to adjustments in monetary policies.



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