WHAT TO DO ABOUT RISING SALARY DEMANDS

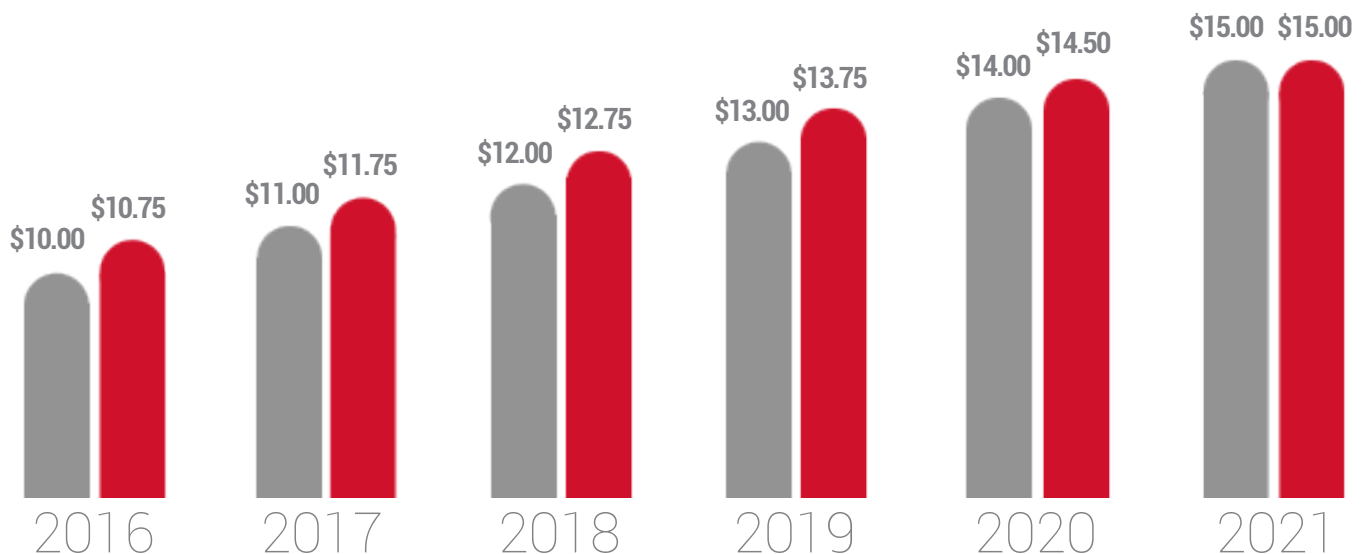## Long Island Employers On the Short End of the Stick?

When it comes to sourcing, hiring and—most importantly—retaining quality employees, employers nationwide are facing a number of difficult challenges. And Long Island employers seem to have it tougher than most.

Across the country, declining unemployment has reduced the candidate pool and, simultaneously, increased the salary demands of quality candidates. Additionally, outsized salary expectations among both millennials and older workers—who are more apt to return to the workforce when unemployment is low—are rapidly upping the ante.

Long Island employers face added challenges, not least among them the area's high cost of living and the resultant outflux of candidates. And, when the minimum wage begins its slow but steady climb towards $15 an hour (effective December 31, 2021), salary demands are certain to rise in tandem.

The reality is, Long Island employers must prepare to increase their salary offers and/or enhance their benefit packages in order to attract and retain quality hires. The problem is, many employers—some of whom got used to calling the shots during the recession and early recovery—seem unwilling to accept this reality and respond appropriately, a mindset that could actually prove quite costly in the years ahead.

Long Island's minimum wage will increase to $15/hr by 2021

Year	Other Workers	Fast Food Workers
2016	$10.00	$10.75
2017	$11.00	$11.75
2018	$12.00	$12.75
2019	$13.00	$13.75
2020	$14.00	$14.50
2021	$15.00	$15.00

● Other Workers
● Fast Food Workers

Penny Wise Pound Foolish?

The inclination to stand firm and maintain one's pay scale may, at first, seem like a sensible choice for employers with constrained staffing budgets. On closer examination, though, this assumption seems faulty. Here's why:

Let's say Patchogue Patchouli Oils needs to recruit a competent, reliable candidate to replace their office manager who left without notice to take a better paying position. They are offering $20.00 an hour for a job that, in the current environment, should pay closer to $24.00 an hour. The business owner—who could afford to go to $24.00 but is feeling a bit squeezed due to stagnant sales—refuses to increase his offer. Here are some of the possible consequences of his decision to save the $4.00 an hour:

It is impossible to attract quality candidates and the job remains vacant for an extended period. The lack of an office manager leaves essential tasks unattended and increases the burden on other employees. This reduces their ability to fulfill their primary responsibilities. All of which can result in weakened productivity and morale.

It is impossible to attract quality candidates and the employer "settles" for an inferior candidate. The new hire cannot fulfill the job requirements, makes a series of mistakes and requires constant supervision. The employer discharges the new employee and restarts the costly and time-consuming recruitment process, which will conclude with the hiring of another inferior candidate.

The employer manages to recruit and hire a qualified candidate who fulfills all job responsibilities. Then, at the first opportunity, the new hire leaves for a higher-paying position elsewhere. The employer must begin another round of recruiting.

The Real Cost at Stake

Simply put, the financial liabilities associated with not meeting reasonable salary demands may actually outweigh the benefits. Think about it. If the disparity between the employer's offer and the cost of hiring a quality candidate is $4.00 an hour, that's $160.00 per week, and $8,320.00 a year.

While not an insignificant sum for a small business, is it more or less than the cost of leaving the position vacant or hiring an inferior candidate? Is it more or less than the cost of fulfillment delays, unsatisfactory customer service or inaccurate bookkeeping, as well as the cost of repairing any damage wrought by an unqualified employee? These are the questions employers must ask themselves when considering their options and making their salary decisions. The right decision might not be obvious at first, but the wrong decision is sure to reveal itself in short order.

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