

Seattle Times

Truth Needle: Is \$15 wage dooming Seattle restaurants? Owners say no

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Poncharee Kounpungchart and Wiley Frank closed Little Uncle in Pioneer Square, but say the decision was based on... [More](#)

Conservative pundits say recent Seattle restaurant closures may have been linked to the city's new \$15 minimum wage. We find that claim to be false.

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The claim: Recent Seattle restaurant closures may have been linked to the city's new \$15 minimum wage.

What we found: False.

An article suggesting the \$15-an-hour minimum wage was a factor in some recent Seattle restaurant closures caught fire with national and conservative media this week. The only problem: When we asked the restaurateurs in question, they said it's flat wrong.

"Why Are So Many Seattle Restaurants Closing Lately?" asks [Seattle Magazine](#). Two Seattle restaurants shut down in February, the piece explains, while another will close later this month, another in May. There's general discussion of the various reasons restaurants close (location, etc.), after which the writer turns to "another key consideration ... the impending minimum wage hike to \$15 per hour."



The speculation took hold as fact in the conservative blogosphere, with the [Washington Policy Center](#) asserting "Seattle's \$15 wage law a factor in restaurant closings."

As various outlets got on the bandwagon, headlines grew more strident. The [American Enterprise Institute](#) reported "Seattle's new minimum wage law takes effect April 1 but is already leading to restaurant closings and job losses." Then Rush Limbaugh chimed in.

Meanwhile, [The New York Post](#) ran an editorial called “Jobless in Seattle” and [Forbes](#) claimed “We Are Seeing The Effects Of Seattle’s \$15 An Hour Minimum Wage.”

Anthony Anton, president of the Washington Restaurant Association (WRA) — an industry lobbying organization among the most vocal campaigners against Seattle’s \$15 minimum wage — told Seattle Magazine: “Every operator I’m talking to is in panic mode, trying to figure out what the new world will look like.”

No wage increases have occurred yet in Seattle; [they begin, incrementally over seven years, in April](#). The Seattle Magazine article itself notes that “none of our local departing/transitioning restaurateurs who announced their plans last month have elaborated on the issue.”

Well, now they are.

Renee Erickson is closing Boat Street Cafe, her first restaurant, but she runs three others and is in the process of opening two more. Asked in an email about the closure being associated with \$15, she replied: “That’s weird, ha. No, that’s not why I’m closing Boat Street. Would have said so.”

Erickson continued, “I’m totally on board with the \$15 min. It’s the right thing to do ... Opening more businesses would not be smart if I felt it was going to hinder my success.”

Little Uncle proprietors Poncharee Kounpungchart (who goes by PK) and Wiley Frank are closing one location, having found the space unsuitable after two years, while remaining open on Capitol Hill and considering new opportunities.

“We were never interviewed for these articles and we did not close our ... location due to the new minimum wage,” Kounpungchart and Frank said in an email. “We do not know what our colleagues are doing to prepare themselves for the onset of the new law, but pre-emptively closing a restaurant seven years before the full effect of the law takes place seems preposterous to us.”

Frank went so far as to send a note to the author of the Washington Policy Center post saying: “Our business model is conducive to the changing times and we would appreciate it if you did not make assumptions about our business to promote your political values.”

Shanik proprietor Meeru Dhalwala, who is also mentioned by Seattle Magazine, said in a Facebook message, “My closure is strictly due to location — nothing to do with wages.”

Sharon Fillingim, the owner of Grub, the final restaurant referenced, said on Facebook that Grub was “a huge success.” In fact, the restaurant was sold and is reopening imminently under new ownership as Bounty Kitchen.

Is this an unusual number of restaurant closures for Seattle? In February alone last year, before the Seattle City Council approved the \$15 wage, Madison Park Conservatory, Marché, Belle Clementine, Azteca in Ballard and B&O Espresso in Ballard closed. The beginning of the year — after the flurry of dining and drinking and spending of the holidays, with taxes looming — is

a tough time for the business. Just two prominent closures in Seattle in February could be interpreted as a sign of restaurant industry health. Indeed, 27 new bars and restaurants opened on Capitol Hill alone in 2014.

When it comes to the impact the \$15 wage will have on restaurants, [University of Washington](#) researchers, University of California, [Berkeley](#), researchers and [an owner of seven local Subways](#) agree that restaurants will have to raise their prices about 4 to 5 percent — meaning an additional nickel per dollar on Seattle restaurant checks.

Now that \$15 is a fait accompli, even the WRA's Anton said in a phone interview, "It's nothing to be afraid of, it's just something to be aware of. There will be changes, but we'll make them, and we'll figure it out."

"There's going to be restaurants in Seattle," Anton added. "It's just going to be different, and that's OK."

As it stands now, the claim that these restaurants closed over the minimum-wage issue is false.

Information in this article, originally published March 17, 2015, was corrected March 17, 2015. The Seattle City Council approved the \$15 minimum wage.

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