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Frederick, Who Advocated for a Small Business Carve-Out, Again Warns Wage Hike Could Hurt Local Operators

Sen. Hubert Frederick warned higher wages could strain small operators, saying business ownership “is not a romantic thing.” Frederick, who owns a laundromat, dry cleaner, and Island Insurance Company, cautioned that during a “bad season,” “it’s bad.”

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Senator Hubert Frederick By. V.I. LEGISLATURE.

Senator Hubert Frederick once again used the Senate floor to warn that a higher minimum wage could hurt small businesses, particularly those serving cruise passengers and visitors, even as lawmakers moved forward with legislation to raise pay across the territory.

During Monday's legislative session, Frederick reiterated his concerns that mandated wage increases could place additional strain on small, locally owned businesses. Frederick, who owns at least two small businesses — a laundromat and dry cleaner, and Island Insurance Company — said he had attempted to advocate for small businesses through an amendment that ultimately was never filed. "Because I can't get the support," he told colleagues, explaining why the proposal did not advance.

Frederick said the amendment would have created a special carve-out for small business owners who may be unable to absorb higher labor costs. He emphasized that his objections were not rooted in opposition to higher wages, but in what he described as the practical realities faced by small operators.

"It had nothing to do with what people make. This had everything to do with creating jobs and opportunities for small, mom-and-pop businesses," Frederick said, explaining his earlier [hesitation](#) with [Bill 36-0030](#), which amends Title 24 of the Virgin Islands Code to increase the minimum wage. "If you want to grow this economy without raising taxes...you have to grow it organically, by growing businesses," he argued.

Drawing on his background in banking, Frederick said his experience issuing loans to small businesses has given him a clear view of both the promise and the risks of entrepreneurship. "It's not a romantic thing. It's tough. It's hard. People have to risk their capital, quit their job sometimes just to run a business," he said. When those businesses encounter a downturn, Frederick added, "it's bad."

He reiterated that he supports higher earnings for workers, stating, "I think everyone should make more money," but remained cautious about how small enterprises would manage the change. He pointed specifically to farmers, saying they "can't afford to pay a lot of money," nor can they "afford to buy expensive machinery to make up the labor issue."

While Frederick voiced his concerns, other lawmakers were less persuaded by predictions of widespread closures. Senator Marvin Blyden, without directly addressing Frederick, dismissed the notion that small businesses would shutter as a result of the wage increase.

As debate wound down, Frederick acknowledged the uncertainty surrounding the policy's impact. "I just hope this is a good decision we make," he said.

Despite his repeated warnings, Frederick ultimately joined his colleagues in supporting the bill. All 15 senators present voted in favor of Bill 36-0030, sending the measure to Governor Albert Bryan Jr. for final consideration in what is one of several significant decisions awaiting the governor in his final year in office.