

Testimony of Ralph Mesite

H.B. No. 5291, An Act Increasing The Minimum Wage, Removing The Minimum Wage Tip Credit, And Increasing Penalties For Failure To Pay The Minimum Wage.

Public Hearing on Tuesday, February 28, 2012

Dear Senator Prague, Representative Zalaski, and members of the Labor and Public Employees Committee,

Upon hearing of H.B. No. 5291, I was shocked. The possibility that this bill will be passed seems to go against everything that the state government already knows; we are in an economic crisis. Businesses and individuals are struggling locally, nationally, and all over the world. Some type of economic change to stimulate growth is necessary, but further straining businesses will not fix the problem. Raising the minimum wage now or in the near future will be devastating not only to all businesses, but also to the state. This is not the answer.

Not only did Connecticut pass the first paid sick leave act in the nation, now businesses are faced with the prospect of even more expenses that are not necessary at this time. Passing H.B. NO. 5291 will drive away businesses already established in Connecticut and will be a key factor in future employers deciding not to do business in this state.

Passing this bill will be a big gamble. Increasing the minimum wage to try and stimulate the economy will potentially put more money in the pocket of the consumer in the short run, but in the long run will end in businesses closing and an even more hostile environment to establish a business and provide employment. Business is the economic resource; and as businesses are forced to lay off employees or close their doors, unemployment will rise. We will be back to square one.

The surrounding states tipped employees wages and minimum wages are much lower. This drives new businesses to establish themselves in our neighbors rather than in Connecticut. Future restaurants will think twice before deciding to do business here. Our minimum wage is one of the highest in the country. This does not stimulate economic growth, and raising it will only make things worse.

Removing the tip credit is another totally unnecessary factor that restaurants cannot afford. Tipped employees make well over the minimum wage per hour. Why take away the tip credit and make employees who actually make minimum wage suffer from layoffs? Where will the extra money come from to pay for this increase?

We only have two choices; increase prices or close the doors.

Neither one is acceptable. Connecticut is approximately the 48th worst state to do business in. When will we be in the top ten? Why can't Connecticut do something to help the few businesses that we have and not further drive them away?

Again, we cannot afford ANY more increases.

Thank you for your time,
Ralph Mesite
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