



State of Connecticut

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SBC Restaurant Group, LLC **Testimony before the Labor Committee, January 31, 2013** **SB 387 AA Increasing the Minimum Fair Wage**

Senator Osten, Representative Tercyak, Senator Markley, Representative Smith and members of the Labor Committee, my name is David Rutigliano; I am a partner in the SBC restaurant group. I am also a recently elected member of the CT House of Representatives, representing the Town of Trumbull. SBC is a Connecticut company with locations in Branford, Milford, Stratford, Fairfield & Stamford. We have been in business for 17 years and employ about 250 full and part time people. We are also proud members of the CT Restaurant Association.

I am here today to testify in opposition to Senate Bill 387 An Act Increasing the Minimum Wage.

The past four years in the restaurant industry has been challenging to say the least, we have been operating in an environment of extreme uncertainty, intrusive government intervention, increasing costs, higher taxes, and shrinking customer counts.

In Connecticut we find ourselves in a perfect storm of bad news. Because of Hurricane Sandy, SBC has seen our insurance rates increase 25%, some of our fellow restaurant association members have had their rates double. Our unemployment assessments reached \$20,000 last year this coupled with an increase in our rate, all due to our state government borrowing money from the federal government to extend unemployment benefits. We pay these even though we have not laid anyone off. Our customers have been subject to massive tax increases and four years of close to four dollar a gallon gasoline prices, which acts as a drag on disposable income. We have incurred double

digit health insurance rate increases as we lead up to the implementation of the affordable care act. I defy anyone here to explain to me how we, in the labor heavy and low margin industry such as ours, are going to pay for Obama care.

We can not afford an increase in the server wage; our servers receive tips and are well compensated far above the minimum wage. An increase for them only limits the amount of potential earnings of other employees.

A minimum wage increase will decrease employment amongst our young people and low skilled work force. The current unemployment rate amongst our teenage population is upwards of 25%.

I understand the want for a living wage; I submit to you the way to get there should be through a learning wage. By raising the minimum wage you will be robbing our young people the opportunity to gain valuable experience and job training.

The minimum wage will not stimulate the economy; it will have an inflationary effect, with prices rising to meet the increase in costs.

Connecticut is already one of the most expensive states in the country to do business in. This bill will only increase the cost of doing business and result in the loss of jobs and opportunities.

We are already #1 in the country for the loss of 18-34 year olds. We need to make this state more attractive to business and encourage our young people to stay, and create jobs here, instead of moving to a state that has less restrictions. We all have seen neighbors and friends move elsewhere in search of a better life, or more opportunity. We've have seen our neighbors and friends children go off to college and not come back, except to visit.

At SBC we are "Connecticut" as we were all born and raised here, got married and started families here, and this is where we decided to start our business. We want Connecticut to succeed and prosper. We just don't believe this is the way to go about it.

Thank you for your time. I am available for any questions you may have.

The Honorable David Rutigliano
State Representative, Trumbull, CT