



New England Convenience Store Association

Connecticut Chapter

TESTIMONY SUBMITTED BY:

Stephen Ryan, Executive Director

Connecticut Chapter

New England Convenience Store Association

January 30, 2013

RE: S.B. No. 387, An Act Increasing the Minimum Wage

Chairman Osten, Chairman Tercyak and members of the Committee, thank you for the opportunity to submit this testimony.

My name is Stephen Ryan. I represent the Connecticut Chapter of the New England Convenience Store Association. We oppose S.B. No. 387, legislation that would increase the current minimum wage by over 18% by July of 2014 and automatically increase it in all subsequent years in accordance with the Consumer Price Index. **This is a staggering financial burden to place on small businesses in Connecticut that we respectfully but unequivocally oppose.**

Aside from the short-term economic harm and job losses that a nearly 20% increase in minimum wage would cause in the next 18 months, allowing the minimum wage to increase every time the cost of living grows would be harmful to our industry for a number of reasons. **First, convenience stores operate with a very small profit margin. Increasing the minimum wage in this fashion will cost retailers thousands of dollars in additional taxes each year and salaries paid to their employees, most of whom receive their first raise after approximately four months.**

Additionally, convenience stores, well as other businesses are facing economically tough times. If this bill passes, retailers will not be able to effectively budget or make plans to reinvest in their companies because they could face annual increases in labor costs. Plus, employers would have to raise the wages of all their employees, commensurate with their skills, responsibility, tenure and productivity, not just those earning the minimum.

The impact of an increase in the minimum wage each year will be felt by many businesses across Connecticut. For many it will mean additional jobs or new hires may be postponed or eliminated, some businesses may even be closed as costs outstrip revenues. In the convenience store industry it will also drive current owners to work expanded hours. You may ask, why not pass the additional costs on to consumers? Some stores will. But, today's retail marketplace is highly competitive and customers are very price conscious. Customers would simply drive elsewhere to purchase items for less money.



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Many of the industry's employees work in convenience stores as a second job to save for a new car or house. Others are students who work part time. Most typically, they are not the sole breadwinner in their families and store owners should not be obligated to pay these employees more than what the marketplace will bear or, faced with such a dramatic increase in labor costs simply eliminate the position and the owner then covers the shifts themselves.

Moreover, many of these employees already make more than the minimum wage. Please do not jeopardize their livelihood. **The convenience store business is perhaps one of the few remaining industries in this country where many new, entry-level hires can, through hard work and commitment, become store owners themselves one day. If these entry level jobs disappear, many will lose out on that opportunity.**

Based upon the full impact of this measure on those employers who will have to pay for the costs of such an increase and for the above reasons, our membership asks that you oppose this legislation. Thank you.