Senator Osten, Representative Tercyak, Senator Markley, Representative Smith and members of the Labor and Public Employees Committee,

My name is Tim Phelan and I am the President of the CT Retail Merchants Association and I am here today to testify against HB 5256, "An Act Concerning the Compensation of Workers on Family Holidays"

As you know, CRMA is a statewide trade association representing some of the world's largest Retailers and the State's main street merchants.

We are strongly opposed to this bill because it unfairly targets and penalizes those retailers who voluntarily choose to open Thanksgiving night and Christmas Day by forcing them to increase wages to those associates who work those times.

The bill in our opinion ignores some very important and critical reasons why retailers choose to open those days. But, before I get into those issues, I want to provide the committee with some basic background information on importance of retailers to Ct's economy.

First, retailers provide real jobs to CT residents. One out of every five jobs in CT are retail related. And seasonal jobs, like those that would be impacted by this bill, come at a critical time of year when retailers are ADDING jobs. Many of these part time or seasonal jobs help give individuals and families the chance to make extra dollars to help make ends meet. Seasonal jobs also provide opportunities for individuals to begin careers in retail – full time employment – in any number of aspects of a retail business. For instance, retail provides jobs for individuals in the areas of store management, logistics, loss prevention and a host of others. And, many times, people hired during the holiday season turn those jobs into careers in retail.

In addition to the jobs, these brick and mortar retailers are often times among the highest property tax payers in the towns in which their stores operate. They charge and collect the state's sales tax and pay state corporate tax while contributing to the local PTA and Little League. They are the heartbeat of CT's economy.

They should not be singled out and penalized by this Committee as they would be if HB 5652 is passed.

The other critical bit of information that this Committee needs to be mindful of as it relates to this issue, is the reason why SOME retailers choose to be open for business during these two days. It is simply to remain competitive against online retailers who are open year round - 24/7 and who do not charge sales tax leaving retailers at a constant disadvantage. It is too easy for a consumer, especially Thanksgiving night, to simply sit in front of their computer and do their holiday shopping. Our members cannot stand by while others respond to this consumer demand.

They are under intense pressure to remain competitive and they need to constantly look at ways they can meet their customer's needs.

If these retailers cannot continue to remain competitive with on line retailers it will have a tremendously negative impact of CT's economy. Bills like this one, if it were to pass, would do nothing to help these retailers remain competitive but rather increase their costs and put added pressure on them.

With regard to some assumptions we see in the bill, it is important to remember that as we mentioned not ALL retailers choose to be open on these holidays. Those that do, do so based on a number of factors, including the competitive factors I have already outlined, specifically consumer demand and market competition.

Another important and overlooked fact on this issue is that each retailer, while having their own determination of how those associates who work those days are compensated, pay greater than straight wages. This bill ignores that fact and artificially raises the pay which we strongly oppose.

In closing, I thank you for your time and I would happy to answer any questions you might have.