



"On the Water at Historic City Point"

100 South water St. New Haven, Ct. 06519 203-787-3466 [www.sageamerican.com](http://www.sageamerican.com)

## **Testimony before the Labor Committee- Senate Bill 387**

**February 18, 2014**

My name is David McCoart; I own and operate Sage American Grill & Oyster Bar in New Haven. I am your small employer. My business is some what seasonal. I currently employ 40 people; 12 full-time and 28 part-time, 9 of which use public transportation. I add approximately 15 people in the summer of which 8 are high school students or returning college students. I have in the past year hired people from a local half-way house and people from a homeless shelter in New Haven. This is what a small hands-on employer can do, hire people and consider some who have had troubled pasts.

As Background: My business is a small business with ever shrinking profits, earning approximately \$.04 pre income tax on every dollar or less before paying back any invested capital. This same business earned approximately \$0.18 on a dollar in the late 80's and early 90's.

**I am opposed to Senate Bill NO. 32 AN ACT CONCERNING WORKING FAMILIES' WAGES "The proposed increase in the min. wage".....for the following reasons:**

On top of this years increase in the Minimum Wage.

I am still reeling from cost increases the past two years with higher:

- Unemployment Taxes
- Unemployment Special Assessments
- Workers Compensation rate increase approved by the state
- Insurance Rate Increases due to recent storms
- Climate Changes raising the cost of Beef, Meat Products and Produce
- Oil and Natural Gas prices and other fees on transportation will drive up costs of all delivered goods even higher than last year.

With these cost increases in a still anemic economy, along with shrinking disposable family income and now the State is proposing yet another higher cost

to me in employing people? This is surely a Job Killer not a Job Creator and runs contrary to the Governors slogan of "This State is Open for Business."

The above costs plus managing other costs of doing business will not allow me to hire more workers or give raises; in fact I must look for more efficiency to lessen labor hours just to stay in business.

We simply cannot afford more increases in the cost of doing business.

I cannot absorb these higher costs. These costs must be passed along to customers who seem to spending less and therefore hurting my ability to stay in business and the States ability to collect more revenue.

The answer you may say to cover your costs is to raise prices. How much would you pay for a Hamburger, a Martini, and a Steak Dinner? With the costs I just mentioned plus and an increase in the minimum wage, I think you would be looking at \$3.00 more on each item.

I urge this committee not to increase another cost of doing business in this State at this time. Let the market set the rate not government. I believe this anti-job creation in its purest form.

The very people you believe you will be helping with a minimum wage increase will cost some of them their jobs, delay employment for many others and drive up the costs of basic goods that everyone needs so the minimum wage increase is negated.

Thank you for listening,

Dave McCoart, Business Owner