



State of Connecticut

SENATE

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SENATOR ROBERT J. KANE
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DEPUTY MINORITY LEADER

RANKING MEMBER
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MEMBER
PUBLIC HEALTH COMMITTEE

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

Thank you for the opportunity to testify in opposition of Senate Bill No. 32, AN ACT CONCERNING WORKING FAMILIES' WAGES.

There are many small businesses in my district and in the State of Connecticut that have survived the economic recession so far, but there are many who were unable to make ends meet and had to make the tough choice to close their doors. After the legislature voted to raise the minimum wage last session, adding more burdens is something we should not be considering again.

An employer who has twenty employees making minimum wage will see a ten thousand dollar annual increase in wage costs for every twenty-five cents the minimum wage is raised. This proposal, however, will have a somewhat hidden, multiplying effect. Businesses that employ minimum wage workers likely also have workers at various pay scales just above minimum wage. As the pay scale for minimum wage employees increases, so will the pay scales for employees earning currently a few dollars more than minimum wage. The rising tide will lift all boats, and that multiplied cost will have to be absorbed by our small businesses.

Just a month ago our minimum wage increased to eight dollars and seventy cents per hour, and next January it will go up again to nine dollars per hour. I believe Senate Bill 32 which raises the minimum wage to ten dollars and ten cents per hour will put a further clamp on the small businesses in our state, the businesses least able to absorb the thousands of dollars in additional labor costs.

For almost twenty years I have been a small business owner and these last few years have been as difficult as any I have experienced. The economic environment has not been kind, and as a state we must be doing whatever we can to encourage businesses to survive and grow. This bill proposes to do exactly the opposite of that. Raising the minimum wage to ten dollars and ten cents will force businesses to raise prices and scale back employee hours and job, the last thing we need in this economy.

I urge you to consider the message being sent to businesses looking to either move into Connecticut or looking to leave Connecticut when you vote on this bill. Thank you very much for your time.

Senator Rob Kane
Deputy Minority Leader Pro Tempore