



Testimony

HB 5370

From: Scott Fanning, President

The Connecticut Franchisee Association

March 3, 2016

Senator (Edwin) Gomes, Representative (Peter) Tercyak and members of the Labor and Public Employees Committee.

I am Scott Fanning, the President of the Connecticut Franchisee Association. Our association represents the owners of 400 Dunkin' Donuts restaurants in Connecticut. Connecticut Dunkin' Donuts franchises are owned directly by your constituents – families who live and work in your neighborhoods. We represent small business owners; family businesses that have been handed from one generation to the next.

I make this point at the outset so it is clear to you that an increase in the minimum wage, or indeed the passing of any legislation which places a new mandate on small business owners, directly effects those owners and their employees and cannot be characterized as a small cost being passed on to a large – out of state - corporation. We pay the wages for our workers, not a corporate parent.

If the Connecticut legislature passes a law that raises costs for our members - it is our members and our employees who will bear the burden of that increased cost.

Dunkin' Donuts Connecticut franchisee locations employ approximately 10,000 part time and full time workers and we want all of them to succeed. Furthermore, we want our State to succeed, which in our mind means maintaining and growing jobs in Connecticut. Raising the minimum wage now, by any margin, let alone a fifty percent increase, would have a severely detrimental impact on those small businesses that create badly needed jobs and the related tax revenue that they create for the state.

Connecticut has been a leader when it comes to the minimum wage, becoming the first state in the nation to require a minimum wage of \$10 or more. Specifically, in 2014 the legislature passed landmark legislation which called for raising the minimum wage every year for three years until we reach a wage of \$10.10 in January of 2017.

We would assert that small businesses are still trying to adjust to those wage hikes called for in 2014. Adopting legislation again, at this time, could result in price increases, workforce reductions, reduced hours worked and the possibility of even closing some locations – eliminating many jobs all at once.

We are proud of the thousands of jobs we offer workers in Connecticut. Whether it's a starting point to learn responsibility that can be transferred to a different profession, or the first step in a long and rewarding career in the food service industry, these jobs are often the first rung on a ladder of opportunity that can lead to great success in the future.

The Connecticut minimum wage as it stands today – at \$9.60 an hour – offers important opportunities to many people who are not qualified for other types of employment and gives them that first foot in the door to gainful employment. And with another 5.2% increase slated for January 1, 2017, moving minimum wage to \$10.10 an hour, we believe that any increase beyond this current mandate is unreasonable, especially in light of the state of the economy in Connecticut.

In summary, raising the minimum wage by any margin at this time would be detrimental to small businesses, employees and the State of Connecticut.

Thank you.