



CONNECTICUT FOOD ASSOCIATION

March 3, 2016

Statement of the Connecticut Food Association – Labor Committee

Wayne Pesce, President, Connecticut Food Association

In opposition of raised bill 5370: *AN ACT INCREASING THE MINIMUM FAIR WAGE*

The Connecticut Food Association (CFA) proudly advocates on behalf of the food retail industry. Its mission is to cultivate Connecticut’s grocery industry through economic development, nutrition & wellness, environmental stewardship and community service. CFA membership covers the spectrum of diverse venues where food is sold, including single owner grocery stores, large supermarket chains, food distributors, food manufacturers, and specialty food purveyors.

On behalf of Connecticut’s grocery retailers, we ask you to oppose SB 5370 – To raise the minimum wage, incrementally, to fifteen dollars per hour.

Reasoning:

While we support the ethics behind this legislation, the current economic climate in Connecticut is tenuous. Based on multiple, credible wage studies, **there is high probability that job security, employer paid benefits, and economic development will all decrease.** Creating an unfriendly, uncompetitive business environment, allows regional states to better compete for our most valued asset – our citizens. **Economy shrinkage is directly related to job creation/opportunity and population declines.** Supporting this legislation passes along costs to the largest collective employer in the state with negative consequences to jobs for existing employees as well as higher grocery prices for Connecticut consumers.

Economics:

The minimum wage is one of the most studied topics in economics. **The vast majority of research suggests that minimum wage increases, in fact reduces youth employment.** Teens acquire more than extra spending cash in their first jobs: Research shows they also pick up valuable workforce experience that benefits them later in life. A study released last year from economists at the University of Virginia and Middle Tennessee State University found that even 20 hours of weekly part-time work in high school leads to higher wages 6 to 9 years after graduation, relative to students who don’t work. **There’s also evidence that a training wage can help soften the blow from a minimum wage increase.** In a study published in Cornell University’s labor studies journal, two economists examined past state minimum wage increases and found that a youth wage provision lessened the negative employment consequences of the policy:

Conclusion:

You may think you are moving towards an admirable goal by taking this action. For the record, **action is not always the answer.** I encourage you to dig a little deeper to question your basic beliefs and recognize **the timing of this bill is wrong for our state.** Connecticut already has a bill on the books that raises its minimum wage above national and regional levels through 2017.

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Given the current economic climate in our state the business community is requesting **transparency and consistency from lawmakers**, this bill delivers neither. We urge a measured and thoughtful approach that parallels advances in Connecticut's economic growth and mirrors surrounding states in the Northeast in order to maintain a competitive balance.