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March 7, 2019

Statement of the Connecticut Food Association – Labor & Public Employees Committee

Wayne Pesce, President, Connecticut Food Association

In opposition of raised bills SB 02, HB 5004 & HB 7191: AN ACT INCREASING THE FAIR MINIMUM WAGE

The Connecticut Food Association (CFA) proudly advocates on behalf of the food retail industry. Our mission is to promote the growth of Connecticut's grocery community.

Reasoning:

While we support the ethics behind this proposed legislation, a **three-year phase in is unworkable**. The three-year phase-in would require that the states brick & mortar **retailers hike pay to almost 30% of our associates by 50% in a very short time window**. With regard to CPI, the last two decades have had low inflation, yet high min. wage increases. The min. wages increases have far exceeded inflation over the last 25 years or so, and going to \$15 will likely be at least 2X the CPI seen in comparison over the same decade going from \$10.15 to \$15—almost doubling in Connecticut. Inflation over the last decade has been 0-2% per year, roughly a 20% cumulative rate, while many states are seeing close to 40% min. wage increases over the same period. **The data is clear as to why CPI should be removed from the bill.**

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.

Conclusion:

The accelerated rate at which this proposed bill increases wages to \$15.00 does not allow for retailers to absorb these costs efficiently. I encourage you to dig a little deeper and question the timing of this bill. **We do support a six-year implementation of the state's minimum wage with no CPI indexing.**

Given the current economic climate in our state the business community is requesting even handedness from lawmakers, this bill as written is anything but that. We urge a measured and thoughtful approach that parallels advances in Connecticut's economic growth and future.