



Home Care Association of America

Connecticut

**Senate Bill 2, An Act Increasing the Minimum Fair Wage.
House Bill 5004, An Act Increasing the Minimum Fair Wage.
House Bill 7191, An Act Increasing the Minimum Wage.
Labor and Public Employees Committee
March 7, 2019**

The Home Care Association of America was founded on the principle that quality home care has one model of care: to employ, train, monitor and supervise caregivers; create a plan of care for the client; and work toward a safe and secure environment for the person at home. Members of Home Care Association of America-Connecticut (HCAOA Connecticut) employ several thousand caregivers providing quality care to thousands of elderly consumers across the state.

Senate Bill 2, House Bill 5004 and House Bill 7191 (Governor's bill) would all increase the minimum hourly wage from the present \$10.10 per hour to \$15 per hour and tie annual increases in the minimum wage to the consumer price index or employment cost index. Senate Bill 2 and House Bill 5004 would increase the minimum wage to \$15 per hour in annual increments over three years and eliminate the training wage, while the Governor's bill would increase the minimum wage to \$15 over four years, adjust the training wage and prohibit employers from displacing employees earning a training wage.

An increase in the minimum wage from \$10.10 per hour to \$15 per hour would increase the cost of home care and, if implemented without sufficient time for employers to adjust, could lead to loss of jobs and more seniors switching to nursing home care. Families, who already save limited resources and spend down their assets to pay for home care, will deplete their savings up to 50 percent faster, which will require them to place loved ones in nursing homes sooner. Additionally, it would affect the state budget, which is currently projected to be in deficit by more than \$3 billion over the next two years. Most people want to live out their last years at home; home care saves the state money by keeping people out of nursing homes.

For home care companies in Connecticut, an increase in the minimum wage could lead to:

- Price increases and additional costs on families and elderly consumers.
- Fewer hours and less pay for caregivers.
- Fewer entry-level jobs and low-skill employment opportunities.
- Layoffs.
- Demands by more experienced workers for higher wages as less experienced workers begin to earn more.

Such a dramatic increase in the minimum wage will drive up the cost of living and the cost of doing business in Connecticut, constrain economic growth and slow improvement in the state's quality of life. This would all occur while the Governor and many lawmakers are trying to dispel the notion that the state is unfriendly to business.

HCAOA Connecticut urges lawmakers to consider the following recommendations, which would moderate some of the negative effects of an increase in minimum wage on the home care industry workforce, the state's business climate, and economic recovery, and protect elderly consumers:

- Implement the increase incrementally over an extended period of time, say, seven years, allowing businesses to absorb the increased costs over a longer period of time. Three or four years is not enough time, especially at annual increases greater than amounts adopted in the past that remained settled for several years.
- Consider a tiered approach, under which businesses under a certain threshold number of employees would be subject to a different minimum wage.
- Authorize the Governor to delay a scheduled increase in the case of an economic downturn.
- Exempt the industry from any increase.

Please contact Chaim Gewirtzman, chairman, HCAOA Connecticut, at (203) 910-3190, for additional information or with any questions.