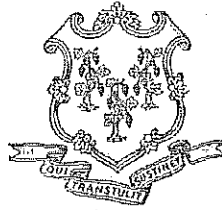


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Senate Bill 2, An Act Increasing the Minimum Fair Wage; House Bill 5004, An Act Increasing the Minimum Fair Wage; House Bill 7191, An Act Increasing the Minimum Wage

Good morning Senator Kushner, Representative Porter and members of the Labor and Public Employees Committee. Senate Bill 2, House Bill 5004, and House Bill 7169 all seek to gradually increase the minimum wage in Connecticut from its current \$10.10 to \$15.00 per hour, over the course of the next few years. Thereafter the wage would be indexed to rise at the rate of inflation.

As policymakers, we are all well aware that hundreds of thousands of Connecticut workers who are struggling, each and every day, to support themselves and their families. According to the excellent report delivered to this committee in December 2016 by the Connecticut Low Wage Employer Advisory Board, at least 20 percent of Connecticut's workforce – at least 336,000 workers – earn less than \$15 an hour. In some of our poorest cities and towns, the percentages are far greater; in Hartford, for example, it is estimated that the majority of workers, 53 percent, earn less than that amount. Moreover, according to the Report, the sub-\$15 workforce is disproportionately female, Black and Latino. A study by the Federal Reserve Bank of Boston that is referenced in the Report estimates that in our state 33.7 percent of female workers, 43.1 percent of Black workers, and 52.6 percent of Latino workers earn less than \$15 an hour. Another study referenced in the Report paints a far starker picture when it comes to female workers in Connecticut: according to a study conducted jointly by the Economic Policy Institute and CT Voices for Children, *women comprise 58.4 percent of Connecticut workers that would directly benefit from an increase in the minimum wage to \$15 per hour.*

The Report further illustrates that an oft-cited misconception about minimum wage workers in Connecticut – that most are teens looking for spending money – is untrue. Instead, very significantly, *the Report notes that the majority of Connecticut workers who earn less than \$15 per hour are actually the primary breadwinners in their families.* It states that:

According to the Federal Reserve study, “the typical worker making less than \$15.00 per hour is in her mid-30’s.” The CT Voices/EPI analysis found that 90 percent of the workers who would benefit from a minimum wage increase to \$15 are 20 years of age or older. And according to the Federal Reserve study, **32.7 percent—nearly one-third – of sub-\$15 workers in Connecticut are parents with children...** Finally, contrary to the notion of minimum wage earners as teenagers living with their parents and earning pocket money, the Federal Reserve study also found that a majority of sub-\$15 workers are the primary earners in their families.

(Emphasis provided).

It is thus easy to understand that requiring a sufficient minimum wage in the State of Connecticut is not a luxury. It is not a mere convenience. Instead, it is a virtually existential issue for thousands upon thousands of Connecticut families – a critically important issue for the basic health and well-being of their children and themselves. For the parents trying to make ends meet, for the single moms working two or three jobs just to provide basic necessities for their children, there may be no more important, pressing issue than earning a fair, adequate and “livable” wage. We simply cannot turn our backs on these Connecticut citizens. We must do all we reasonably can to help them support themselves and their families.

Connecticut has fallen behind the curve in enabling our residents to earn a living wage. Since 1979, the value of the state minimum wage has decreased despite an increase in the cost of living and employee productivity. A 2012 Connecticut Voices for Children report found that, though the minimum wage in Connecticut increased 184 percent in a little over three decades, from \$2.91 in 1979 to \$8.25 in 2012, the actual value of the minimum wage decreased by 9 percent. We recently increased the minimum wage to \$10.10 in an effort to catch up with the rising cost of living, but *a minimum wage of \$10.10 still has less relative value than it did in 1979*. By taking this next step to increase the minimum wage to \$15, we would be closer to catching up with the cost of living, allowing our low wage workers to support themselves and their families.

It is well and troublingly illustrated in the Report that at its current \$10.10 level, Connecticut’s minimum wage “is insufficient to allow Connecticut’s low-wage workers to live with even minimal security or dignity.” It is also well illustrated that the eventual \$15 an hour recommended wage itself is barely adequate, with the Report explaining at length that “a ‘basic economic security’ income, ‘self-sufficiency’ income, or ‘living wage’ in Connecticut – an income adequate to support a worker’s basic needs at a modest standard of living – requires a minimum wage higher than \$15 per hour.”

However, *based on a balancing test between the needs of Connecticut citizens and the reasonable requirements to be placed on Connecticut employers*, the Low Wage Employer Advisory Board, after almost a year of gathering information and testimony, recommended to this Committee that the ultimate level of the Connecticut minimum wage be \$15 an hour, and that this increase from \$10.10 be implemented gradually, over a few years. Thus, the bills being heard today adopt this recommended approach.

The Report also concludes something that I believe is key: a gradual increase in the minimum wage as included in the bills being heard today, while providing an incalculable benefit to parents and children throughout the state of Connecticut will not hurt the economy of our state. Indeed, it likely will be a benefit to our overall economy.

In past years, arguments have been made to this Committee that raising Connecticut’s minimum wage would be a calamitous event for Connecticut’s economy. I’m sure that many of these same arguments will be raised today. However, the Report discusses numerous studies providing evidence that gradually increasing Connecticut’s minimum wage would not hurt Connecticut’s

overall economy and actually likely would have a positive effect on Connecticut's overall economy. Nor would such a gradual rise in the minimum wage result in a decrease in employment throughout the state. The Report discusses evidence that:

- Increasing the minimum wage will grow the Connecticut economy in ways that would broadly benefit the state and its residents;
- Raising the minimum wage will create fiscal benefits and cost savings for employers;
- Studies show that businesses will benefit from reduced turnover and costs of recruitment, increased productivity and efficiency, and increased profit from additional sales due to increased spending by low-income working families;
- Historical increases in the minimum wage have had little or no negative effect on the employment of minimum-wage workers, even during times of weakness in the labor market;
- Though wage increases may incentivize automation, studies show that this creates just as many jobs as it replaces;
- An increase in the minimum wage may result in additional state revenue from income and sales taxes while reducing spending for public assistance programs; and
- Increased earnings and other benefits to businesses, workers, and consumers outweigh any negative effects of a minimum wage increase.

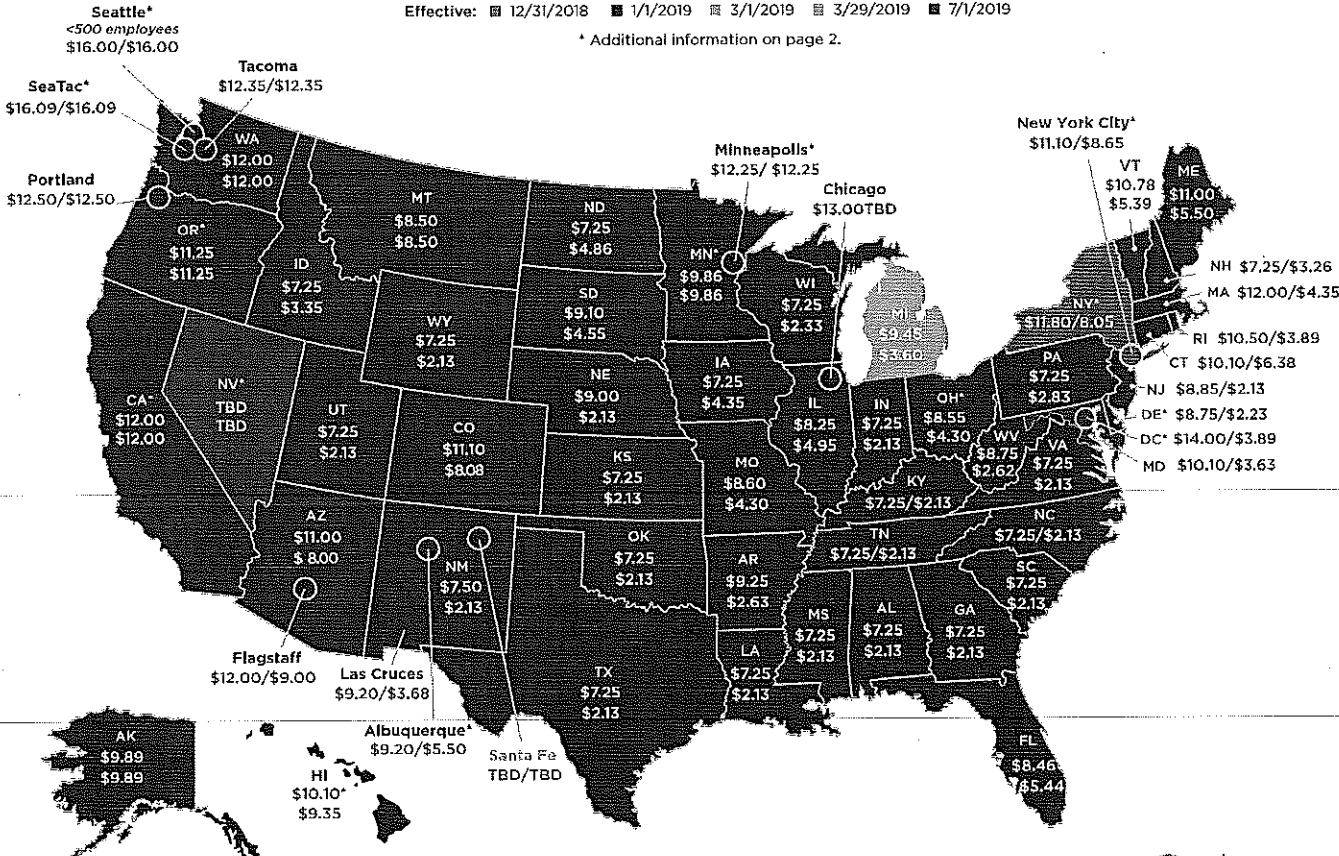
I urge you to support SB 2, HB 5004, and HB 719, which are critical pieces of legislation that I believe will greatly enhance the quality of life for Connecticut residents while not hurting the economic well-being of our state. Thank you for your consideration.

State and Local 2019 Minimum Wage Rates

First # = state's hourly minimum wage rate
Second # = minimum cash wage for tipped employees

Effective: 12/31/2018 1/1/2019 3/1/2019 3/29/2019 7/1/2019

* Additional information on page 2.



As of January 4, 2019

CALIFORNIA CITIES

Alameda \$13.50/\$13.50	Milpitas \$15.00/\$15.00	San Francisco TBD/TBD
Belmont \$13.50/\$13.50	Mountain View \$15.65/\$15.65	San Jose \$15.00/\$15.00
Berkeley TBD/TBD	Oakland \$13.80/\$13.80	San Leandro \$14.00/\$14.00
Cupertino \$15.00/\$15.00	Palo Alto \$15.00/\$15.00	Santa Clara \$15.00/\$15.00
El Cerrito \$15.00/\$15.00	Redwood City \$13.50/\$13.50	San Mateo \$15.00/\$15.00
Emeryville >25 employees TBD/TBD	Pasadena >25 employees TBD/TBD	Santa Monica >25 employees \$14.25/\$14.25
Los Altos \$15/\$15	<25 employees TBD/TBD	<25 employees \$13.25/\$13.25
Los Angeles >25 employees \$14.25/\$14.25	Richmond w/out benefits \$15.00/\$15.00	Sunnyvale \$15.65/\$15.65
<25 employees \$13.25/\$13.25	w/ benefits \$13.50/\$13.50	
Malibu >25 employees \$14.25/\$14.25	Sacramento \$11.75/\$11.75	
<25 employees \$13.25/\$13.25	San Diego \$12.00/\$12.00	

COUNTIES

CALIFORNIA	ILLINOIS	MARYLAND
Los Angeles County >25 employees \$14.25/\$14.25	Cook Co. \$12.00	Montgomery Co. >50 employees \$13.00
<25 employees \$13.25/\$13.25	TBD	<50 employees \$12.50
NEW MEXICO	NEW YORK	Prince George's Co. \$11.50/\$4.00
Santa Fe Co. \$11.40/\$3.41	Nassau, Suffolk, Westchester Co.s \$12.00/\$8.00	
Bernalillo Co. Unincorp. w/ benefits \$8.05/\$2.13		OREGON
w/out benefits \$9.05/\$2.13		Non-urban Co. \$11.00/\$10.50
Las Cruces \$10/\$10		

*** ADDITIONAL NOTES**

CALIFORNIA \$12/\$12 for large employers (>26 employees) \$11/\$11 for small employers (<26 employees)
DELAWARE Minimum wage will increase again on October 1 to \$9.25 Tip credit will remain at \$2.23
MINNESOTA \$8.04/\$8.04 for companies with less than \$500,000 in annual gross sales Minneapolis \$11/\$11 for small employers (100 or fewer employees)
NEW MEXICO Albuquerque \$8.20/\$5.50 for companies that provide \$2,500 annually in healthcare or childcare benefits, \$9.20/\$5.50 for those that don't
NEW YORK: <ul style="list-style-type: none"> • New York City (11 or more employees) \$15/\$10 • New York City (10 or more employees) \$13.50/\$9 • Nassau, Suffolk and Westchester Counties \$12/\$8 • Rest of the State \$11.10/\$7.85 • QSR Employees in NYC \$15/\$15 • QSR Employees in remainder of state \$12.75/\$12.75
OREGON: <ul style="list-style-type: none"> Portland Metro \$12.50/\$12.50 Rural Counties \$11/\$11 Remainder of state \$11.25/\$11.25
WASHINGTON: <ul style="list-style-type: none"> Seattle <500 employees w/ benefits \$15.00/\$15.00 w/out benefits