Raising the Minimum Wage to $15.00 per Hour and its effect on our lower wage Work Force

Opening Statement- I think everyone should make at least $15.00 per hour, maybe 20 or $30 per hour- The questions that has to be answered first is – Where will the money come from?

1. I started my company which provided Janitorial services statewide in 1986 while I was a student at the University of New Haven.
2. I now employ almost 400 people throughout Connecticut.
3. In the past I was very proud when I told people that I paid my employees at least $.50-1.00 above minimum wage in order to attract the best workers.
4. Over the past few years, I have been forced to only pay whatever the minimum wage is in order to be competitive.

How can I justify passing on increasing wage costs to customers?

1. Whether anyone in this room or in our government wants to admit it, companies are moving out of the state or downsizing.
2. Companies in other states, when they’re searching for a new location for a new factory typically (never) don’t choose Connecticut, because of how uncompetitive the state has become.
3. I’ve lost business because companies have either downsized or moved out of CT.  1. Tenova- Wallingford, down sized and now we only bill them 25% of what we use to bill them.
   2. Quest Diagnostics, Corporate facility in Wallingford- They now only occupy 10,000 sq ft of a 92,000 sq ft building because they built a brand new facility in of all places Massachusets.
   3. HID Global Manufacturing, North Haven- Moved there Worldwide Headquarters to Austin Texas and built a new 250,000 manufacturing facility.
   4. Bristol Myers, Wallingford to close its 1,000,000 sq ft research facility by 2018. How many high paying jobs will be lost?
Whatever happened to working hard and educating yourself and being able to get a higher paying job?
1. I worked 12-18 hours per day when I started my company in order to keep my customers and see it grow.
2. I paid for my own education at the University of New Haven and my MBA at Quinnipiac University to increase my ability to run a company.
3. Nobody but me created my success and the income that I have because of my hard work.
4. Unfortunately in any society, there has to be some level of suffering or at least being uncomfortable in order to be driven to educate yourself and increase your value.

Where does the money to pay people $15.00 per hour come from?
1. The Rich people who worked hard to get where they’re at don’t pay it all by themselves.
2. The money comes from consumers who are the same people making the new $15.00 minimum wage, so what do they get.
3. Great idea to pay $15.00 per hour to daycare and home health aides, you’re all worth much more! However, as mentioned, the parents of the children going to daycare will have to pay more and at what point will they just not be able to afford it, quit their jobs and stay home?
What companies will do if the wage is increased?

1. Consider moving to other states where labor and the overall expense of doing business are lower.
2. Reduce consumption of services. They still may need their building cleaned, but they may still choose to work within their budget. This will result in me or other companies needing less people to service them. I’ve already seen this happen.
3. Automate- Take Stop and Shop- They may have 15 or so checkouts, but on most weeknights 2-3 are staffed with an actual person. 6 or so lanes offer automated self-service checkout and this area is staffed by one person.

Connecticut Needs to find ways to be more competitive against other states and create reasons for companies to move here and invest in our state. Increasing labor costs is definitely not one of them.