

# **BUSINESS** *for a* **FAIR MINIMUM WAGE**

**TESTIMONY ON S1978A / A2204A: “RAISE THE WAGE ACT”**

**Joint Legislative Budget Hearing on Workforce Development / Labor**

**Hearing Date: March 1, 2023, 2pm**

**FROM: Alissa Barron-Menza, Vice President, Business for a Fair Minimum Wage**  
**POSITION: SUPPORT**

My name is Alissa Barron-Menza and I am the Vice President of Business for a Fair Minimum Wage. Our growing coalition of hundreds of New York business owners, executives and business organizations supports the legislation to raise and index New York’s minimum wage (S1978A / A2204A).

We supported the passage of New York’s minimum wage increase to \$15 back in 2016. However, the compromise measure enacted then created different timetables for New York City, Long Island/Westchester, and Upstate, with Upstate still not at \$15 today. Further, there was no provision for cost of living adjustments after reaching \$15.

The new legislation is very timely given dramatic increases in the cost of living since \$15 was passed.

It makes good business sense now to gradually raise the minimum wage to restore lost buying power, and then adjust the minimum wage annually to keep up with increased cost of living and labor productivity so that the minimum wage does not lose value.

We can’t build a resilient economy and thriving local businesses and communities on a minimum wage that’s too low for people to live on.

In the words of **James Kehoe, Owner of Whiskey Pickle in Troy**, “We've fallen way behind. Minimum wage has not nearly kept up with the cost of living.”

**Pamela Bailie, Co-Owner of Hipocampo Children’s Books in Rochester**, says, “All employees deserve a fair wage. Wages should reflect the increased cost of living. The minimum wage should be raised and indexed.”

It’s important to remember that workers are also customers. When people earn more as workers, they can afford to spend more as customers. Minimum wage increases go right back into the economy as spending at local businesses.

“Minimum wage increases recirculate and help local economies,” says **Jennifer Walls, Owner of The Sweet Praxis bakery in Syracuse**. “They boost small business sales and revenues. A minimum wage reflecting the cost of living is important for quality of life.”

Raising the minimum wage is good business in important ways beyond increased consumer spending. Low pay typically means high employee turnover. Low-wage businesses have more trouble hiring and retaining employees, as workers look elsewhere to make ends meet.

Raising the minimum wage pays off for businesses in lower turnover, reduced time and money spent hiring and training new workers, less product waste, and lower error rates.

Businesses benefit from better productivity and product quality. And businesses benefit from better customer service, which keeps customers coming back.

Keeping the minimum wage low does not help small businesses.

**Deepti Brambl, CEO of manufacturer Kaylaan in Floral Park**, says, “\$15 is not enough. People have to work too many hours and aren’t able to come to work rested or happy. Our higher pay shows in our good morale and retention. Raising the minimum wage will also increase consumer spending and strengthen the tax base.”

The pandemic has made it clearer than ever that low-wage businesses have more trouble hiring and retaining workers. Raising the minimum wage floor under *all* businesses will boost consumer spending and encourage the better business practices that help small businesses survive and compete.

For small businesses to succeed in competition with big chains and online companies with fast delivery, you need to give customers a reason to choose your business. That comes back to customer service and employees who can afford to stay and help you keep up with what customers want. Employees often make the difference between repeat customers or lost customers.

Minimum wage increases under the Raise the Wage Act won’t happen overnight. They reset the wage floor broadly. Businesses have time to plan, adjust and benefit as increases are phased in.

**Johanna Dominguez, Owner of Put a Plant On It in Buffalo**, says, “New York needs to raise the minimum wage. All workers should make a living wage. If a small business like ours can do it, everyone can.”

Raising the wage floor levels the playing field for businesses, helping those with lower wages to raise pay, decrease turnover, and increase competitiveness and customer satisfaction.

We don't support the Governor's proposal to index the minimum wage without raising it first to restore lost buying power. That will leave workers, customers, businesses and local communities behind without the opportunity to catch up to the increased cost of living.

The MIT Living Wage Calculator indicates that the basic needs wage for a single adult without children working full-time in New York is already \$21.46.

There's a long record of research showing that raising the minimum wage has positive effects – not negative effects. For example, [the Federal Reserve Bank of New York compared counties along both sides of the New York-Pennsylvania border](#). They reported in 2019 that as New York's minimum wage increased, while Pennsylvania's stayed at just \$7.25 an hour, New York's hospitality and retail wages increased without negative impact on employment compared with Pennsylvania.

The [New York City Comptroller reported](#) that “Between 2013 and 2019, as the minimum wage increased from \$7.25 to \$15 an hour in New York City, economic growth in industries reliant on minimum wage workers outpaced that of other U.S. cities where the minimum wage did not increase, and that of the U.S. overall.”

A new study by Michael Reich at the Institute for Research on Labor and Employment analyzed fast food employment in New York as the minimum wage rose to \$15 and shows that the increases did not reduce employment.

Raising and then indexing the minimum wage will strengthen New York's workforce, businesses and communities.

**Scott Tillitt, founder of BEAHIVE coworking spaces in Beacon, Newburgh, Cold Spring and Albany**, says, “A livable minimum wage is a critical component of a resilient local economy and healthier, more vibrant communities. We've worked with thousands of entrepreneurs, small businesses, and community groups in the Hudson Valley, so we understand that raising and indexing the minimum wage will provide a much stronger floor for entrepreneurs across New York to build on.”

I'll close with the words of **Michael Lastoria, founder and CEO of &pizza, a fast-casual pizza chain with locations in New York City and across the Mid Atlantic**: “Our restaurant chain is succeeding and growing in a very competitive industry because we realize that our most valuable stakeholders are employees. Higher wages are the single clearest way to say to our workforce, ‘We value you.’ Raising and indexing the minimum wage is an essential way for lawmakers to say to New Yorkers, ‘We value you.’”

We respectfully urge your support of S1978A / A2204A. Thank you.

Alissa Barron-Menza

Vice President

Business for a Fair Minimum Wage

725 Hertel Avenue, Suite 633

Buffalo, NY 14207

301-960-5281

[alissa@businessforafairminimumwage.org](mailto:alissa@businessforafairminimumwage.org)