



Testimony in Opposition to Proposed H.B. No. 6462

Submitted by Frank Ricci, Labor Fellow

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My name is Frank Ricci and I serve as Yankee Institute's Labor Fellow. Yankee Institute is a policy organization dedicated to empowering Connecticut's people to forge a brighter future for themselves and their families.

There is dignity in all work, and I have held many jobs throughout my life. Along with my parents, these jobs taught me the value of hard work and customer service. What's more, they put me on first rung of the ladder where I found a career that allowed me to rise to the middle class and achieve the American dream of home ownership.

But several of the "starter" jobs that served me so well have now been eliminated due to well-intentioned policy positions that have had unforeseen consequences.

I pumped gas at full-service gas station, a job that has vanished in my town and most, if not all, of the state. I worked as a store clerk — another job that has been drastically reduced by the prevalence of self-checkout. And I've washed dishes with a team of three in a restaurant but increases in the minimum wage — compounded by technological advances — have resulted in the team being reduced to one employee.

Connecticut needs more jobs — not fewer. And it especially needs jobs that will allow young people entry into the workforce. That is why Yankee Institute opposes H.B. 6462, which seeks "[t]o recoup state cost relating to services provided to workers who utilize state resources such as the HUSKY Health program."

American author and economist Thomas Sowell stated that "there are no solutions, only trade-offs." H.B. 6462 only makes it more expensive to hire low-wage employees. The trade-off of effectively raising the minimum wage by another name and mechanism will have the same detrimental effect on the economy. Imposing the poison pill of artificial wage pressure on businesses — especially small businesses — will only kill jobs, decrease opportunity, and increase inflation.

If this bill passes, it is likely to create a cliff where a few wages are brought up the new, “minimum wage,” while other jobs are eliminated or consolidated altogether. And where jobs can be maintained, business will simply pass costs onto already-struggling consumers, increasing the price of goods, raising inflation, and adding to the affordability crisis in our state.

Furthermore, this legislation would diminish the ability of our state’s businesses to compete with out-of-state businesses who aren’t saddled with such mandates. Instead, we should be reducing needless regulation and reducing the tax burdens on business to spur their competitiveness, innovation, and investment in Connecticut’s future.

H.B. No. 6462 — “An Act Concerning The Recoupment Attributable To Low-Wage Employers” — may seem like prudent fiscal policy at first glance. In reality, it shifts the burden from government to business — and then ultimately to consumers in potentially regressive ways. It’s far better to offer our state’s people a thriving business climate, along with equal opportunity on the ladder of success — in order to minimize the need for a lifeline that will result in additional burdens on Connecticut’s taxpayers.

Thank you for the opportunity to provide testify before this distinguished committee.

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