



MEMORANDUM IN OPPOSITION

A.7257 (Titus) / S.5602 (Panepinto)

AN ACT to amend the labor law, in relation to the minimum wage.

The Capital Region Chamber, representing 2,800 businesses and organizations from throughout the Capital Region that employ more than 150,000 area residents, opposes A.7257/S.5602 which would amend § 652 of the Labor Law to raise the statutory minimum wage to \$12.50 in New York City and Nassau, Suffolk, and Westchester counties and \$10.50 in the rest of the State on December 31, 2016; to \$13.75 in New York City and Nassau, Suffolk, and Westchester counties and \$11.55 in the rest of the state on December 31, 2017, and to \$15.00 in New York City and Nassau, Suffolk, and Westchester counties and \$12.60 in the rest of the state on December 31, 2018. On and after December 31, 2019, the minimum wage would be indexed to the rate of inflation.

The bill would also raise the tipped wage to \$10.40 in New York City and Nassau, Suffolk, and Westchester counties and \$8.75 in the rest of the state on December 31, 2016, to \$11.45 in New York City and Nassau, Suffolk, and Westchester counties and \$9.65 in the rest of the state on December 31, 2017, and to \$12.50 in New York City and Nassau, Suffolk, and Westchester counties and \$10.50 in the rest of the state on December 31, 2018. On and after December 31, 2019, the tipped wage would be indexed to the rate of inflation.

Businesses, both small and large, have been required to adjust to a number of additional costs over the past year including the continued phase-in of an original minimum wage increase. Additionally, most studies find that, when the minimum wage increases, employment goes down. A higher minimum wage prices unskilled and inexperienced workers out of the job market and dampens the demand for new employees.

An increase in minimum wage fails to accomplish its intended public policy goals; it does little to reduce poverty and does not result in increased workforce productivity. It only serves to increase the cost of goods and services for consumers and limit the ability of businesses to grow.

For these stated reasons, the Capital Region Chamber opposes this legislation.