



New York Association of Convenience Stores
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MEMORANDUM IN OPPOSITION

A.9168-A by Speaker Silver

AN ACT to amend the labor law, in relation to the minimum wage
and making technical corrections relating thereto

More than half the convenience stores in New York State are independent "mom and pop" enterprises in which the owners toil six or seven days a week trying to make ends meet.

On behalf of *these* working families, who provide hourly employment opportunities to tens of thousands of New Yorkers, NYACS firmly opposes increasing New York's statutory minimum wage as prescribed by A.9168-A, because:

- The tiny percentage of part-time, entry-level convenience store employees who are currently at minimum wage would get an 8% raise on 1/1/09, 3% more on 1/1/10, and another 3% on 1/1/11, all without any corresponding increase in productivity.

- Full-time employees currently making \$1 or \$3 or \$5 per hour *above* the minimum wage would rightfully expect proportionate raises too, with no corresponding increase in productivity.

- The result would be across-the-board wage inflation of 15% over three years, plus proportionate increases in costs for payroll taxes, workers compensation, unemployment insurance, etc. It's the ultimate unfunded mandate.

- In fact, this would wipe out most of the savings in workers compensation premiums business finally received this year as a result of overdue reforms enacted by the Legislature.

Faced with these sharply higher costs, small businesses would have two options, neither of which is desirable for their workers, their businesses, or the economy:

- 1) Raise prices proportionately, contributing to inflation which would compound New York State's economic troubles; or
- 2) Reduce staff and/or benefits, resulting in fewer job opportunities and less coverage for those A.9168-A is ostensibly designed to help.

As for indexing, state-mandated automatic wage increases year after year flies in the face of a fundamental belief of New York's beleaguered private-sector employers: That a raise is something you earn, not an entitlement.

James S. Calvin
President, NYACS
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