

**Written Testimony of Jan Rhodes Norman, Owner of Silk Oak and Ithacamade,
Ithaca, New York
Submitted to the Joint Legislative Public Hearing on 2016-2017 Executive Budget Proposal,
Topic "Workforce Development"
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As a 40-year business veteran who has owned a restaurant and various retail shops, I support a \$15 New York State minimum wage as good for business, employees, our communities and our economy. I appreciate the opportunity to share my perspective on the positive impact of a minimum wage increase at this joint public hearing on the executive budget proposal.

At Silk Oak and Ithacamade, my retail businesses based in Ithaca, we have been making original design goods since 1977. We've printed over a half million shirts for customers in New York, across the U.S., and all over the world. We pay a living wage or above. Those pay practices keep more dollars circulating locally and strengthen the economy.

Our starting wage is currently \$12.61, pegged to the local living wage as calculated biannually by Ithaca-based Alternatives Federal Credit Union. Our local living wage is projected to go up this year to approximately \$14.34. That's \$14.34 in 2016, not 2020. Clearly, the current \$9 New York State minimum wage falls far short of the actual cost of living in Ithaca and our state.

My businesses have prospered with our approach to fair wages. Our turnover rates are much lower than the industry average. For example, my top employee has been with us for over 14 years. This saves me money on costly hiring and training.

Fair compensation also helps my employees be more dependable, productive and creative at work, because they can focus on their job and worry less about how to pay their bills. Having experienced employees who know our products and are knowledgeable sales people helps me build a loyal, repeat customer base.

Our experience has shown us that businesses can help create healthier, more vibrant communities. When workers are paid enough to live, it helps our communities in many ways. Parents have more time to spend with their kids. Citizens have more time to engage with each other and with their community. We reduce the strain on the social safety net and can redirect our limited public resources away from subsidizing the wages of profitable corporations who depend on public assistance to help their workers avoid homelessness and hunger, and toward building an economy that better works for all people.

Finally, raising the minimum wage will help level the playing field between Main Street businesses and big box stores. In our experience, most small businesses already pay above the minimum wage, and the majority of poverty wage jobs are with the big chains. In fact, as noted above, the big chains count on responsible employers and taxpayers to subsidize them by providing food stamps and public health assistance to their workers who can't make ends meet on poverty wages.

Raising the minimum wage to a more realistic level helps level the playing field for businesses like mine who believe in treating our employees fairly and investing in the communities in which we live, work, and do business.

With the current cost of living, raising the state's minimum wage to \$15 by 2021 will not be enough to boost all working families out of poverty, but it's a vital step. And as a lifelong small business owner, I understand the value of incremental increases for giving business owners time to plan and adjust. I would encourage the Committee to therefore view a minimum wage of \$15 by 2021 as the appropriate level for maximizing the boost to consumer demand and therefore long-term business growth, while giving businesses time to adjust in the short-run.

A \$15 minimum wage will be good not just for New York employees, but for our businesses and our state economy.

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