

Brandywine/TB, Southern Region Neighborhood Coalition

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TESTIMONY IN SUPPORT OF SENATE BILL SB0160

Labor and Employment – Payment of Minimum Wage – Tipped Employees
Before Senate Finance Committee, February 1, 2024

TO: Senator Pamela Beidle, Vice Chair, Senator Katherine Klausmeier, and members of the Senate Finance Committee
FROM: Brandywine TB Southern Region Neighborhood Coalition (BTB Coalition)
POSITION: Favorable

Thank you for the opportunity to offer testimony in support of SB 0160. The BTB Coalition is the sponsored membership of 2Bridge CDX a “community development locality nonprofit organization”, having HUBS for every county in the State of Maryland, with members and supporters who live throughout the state, and nationally.

In addition, there are dozens of affiliated locality community, faith, and labor organizations across the state that stand behind our work. Our mission is to improve the lives of working families in Maryland. Please note our strong support for SB 0160. We support the passage of SB 0160 to phase out the tipped minimum wage in Maryland. This bill is essential for ensuring economic equity for all workers, particularly low-income and women workers who traditionally rely heavily on tips to make a living wage. Gratuities should be a bonus for a good service, not a customer subsidy to employers for their wage bills.

Currently, these workers receive a subminimum wage of only \$3.63 per hour leaves it difficult for these workers to achieve the financial security that all full-time workers deserve. Additionally, this bias can lead to pay disparities between men and women in industries historically dominated by women such as hospitality and food service where tips often determine wages. And because tips make up such a large percentage of their income, women who rely on tips are often forced to put up with mistreatment from customers, including sexual harassment, just to ensure that they get a decent paycheck at the end of their work day.

As you know, the price of everything has risen in the last several years. we know about the expected raise given to hourly workers but the tip workers have been left off of the bill. Tip workers should be included so that workers can be given an opportunity at an economic increase like all other workers. A factor that weighs heavily on the need of increasing the wage is the major impact that technology has had on the workforce.

Specifically talking about service jobs of the forefront staff at places of employment like bars, hotels restaurants technology has allowed employers to change overall budgets because some of the jobs like the self-check at the grocery stores have allowed the private sector to replace some jobs with devices and innovations that have automated workforces. while this can be viewed any way, you like it what is does more than anything is it allows employers to save money and this should give them the opportunity to embrace an increase in wages to \$15.

This legislation is thus critical for creating a fairer economy where no worker ever has to worry about being unable to afford basic necessities again and will make an incredible difference in the lives of thousands across Maryland. For these reasons, we respectfully urge a favorable report on SB 0160. To conclude, we support the testimony of the National Women’s Law Center (NWLC), in 2023 testimony in strong support of SB 0160 (the “One Fair Wage” bill).

The ECCB– Neighborhood Leadership Council (NLC) will host a mandatory orientation to ensure newly inducted members understand their roles, expectations on how to serve the organization and community effectively.

If you have questions or concerns, you can refer this matter to ECCB– Neighborhood Leadership Council (NLC) by email at btb.eccb@gmail.com or by phone at 240.681.9070. Thank you for your considerable time and attention.

ECCB– NLC Administrative Chair


Respectfully submitted,

In solidarity, Brandywine/TB Southern Region Neighborhood Coalition; and the Executive Community Citizen’s Board (ECCB) neighborhood Leadership Council

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Amendment Oral Testimony

Good Afternoon,

Chair and Vice Chair, and members of the Finance Committee

I am Kamita Gray, Chief Managerial Officer, of 2Bridge Community Development eXchange and the President of the BTB Coalition place-based organization... at one time in my life I was a service worker minimum wage was \$2.90, thank God I was still living at home with my parents.

Women hourly workers are also more likely to earn the minimum wage or less — 2.6% of female hourly workers make the minimum wage or below, compared to 1.3% of male hourly workers.

About 2.4% of Black hourly workers earn the minimum wage or less, compared to about 2% among white, Asian, and Hispanic hourly workers.

Twelve percent of hourly food service workers make the minimum wage or less, the highest rate of any occupation type.

Food service workers are also more likely to be paid an hourly rate compared to workers in other occupations, with more than half of food service employees (servers, cooks, cashiers, etc.) receiving hourly wages.

After food service workers, personal care occupations, including manicurists, caregivers, barbers, hairstylists, and cosmetologists, have the second highest rate of hourly workers at or below minimum wage, at 3.2%.

The minimum wage and the living wage are not the same thing. In cases where the minimum wage is less than the estimated living wage, the suggestion is that earnings from a full-time minimum-wage job are not enough to support someone without additional income or subsidized aid.

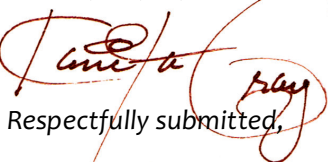
What happens to employment after an increase in minimum wage?

In 22 states, including Washington, DC the number of jobs increased in the occupations in the year after a minimum wage increase. These areas average 8,666 more jobs in the occupations, an average increase of 2.7% in employment.

On a final note, we acknowledge other effects of raising the minimum wage that's not reflected in data by. Experts have analyzed the effect that minimum wage increases have on hours worked by employees, employee productivity, job creation, production, and forms of non-cash compensation such as health insurance. Other possible effects are changes to company pricing strategies, working conditions, higher-wage worker compensation, and benefit eligibility for low-income households.

There and for, for all these reasons, inclusive of all challenges, rising minimum wage is still a good Idea, wherefore we ask the Committee issue a favorable report on SB 160.

Thank you for your time and attention


Respectfully submitted,