



**Testimony of Ricarra Jones, Political Director of 1199SEIU
SB862– Labor and Employment – Minimum Wage- Allegany County and Garrett County
Position: UNFAVORABLE**

Members of the Economic Matters Committee:

1199SEIU Healthcare Workers East (1199SEIU) is the largest healthcare union in the country with, with over 450,000 members throughout Massachusetts, New York, New Jersey, Maryland, Florida and Washington, D.C. **We strongly oppose ANY efforts to lower Maryland’s minimum wage. We believe low wages hurt working families, businesses and the economy.**

Every day, the members of 1199SEIU save lives, deliver babies and care for the sick, seniors and people with disabilities. We are nurses, nurse aides, techs, lab workers, clerks, housekeepers, dietary workers, transporters, pharmacists, social workers and many other types of medical professionals. Many of our members worked hard to advocate for the passage of the \$15 minimum wage legislation.

We are very disappointed to see efforts to extend the \$15 minimum wage increase to JANUARY 2028 because no matter what county you reside in, workers deserve to be able to support themselves and their families.

Even in one of the least expensive cities in the state—single workers without children need an hourly wage of \$13.37 TODAY just to afford housing, food, transportation and other basic needs.

Single parents raising just one child need to earn \$25.05 today, and will need \$28.17 by 2023. And each parent in a two-worker household raising two children needs to earn at least \$16.71 today, and will need \$18.79 by 2023.

A study conducted by United Way shows Alleghany and Garret Counties are above the state in ALICE-Asset Limited, Income Constrained, Employed – households that earn more than the Federal Poverty Level, but less than the basic cost of living for the households:

Alleghany- ALICE Households: 25% (state average: 28%) • Households in Poverty: 16% (state average: 10%)

Garrett- ALICE Households: 24% (state average: 28%) • Households in Poverty: 14% (state average: 10%)

Studies show that by raising pay broadly across the bottom of the economy, substantial minimum wage

increases can have very direct and tangible impacts on the lives of affected workers and their families, and can be effective strategies for addressing declining wages and opportunities for low-wage workers.

In addition to broadly increasing pay, research also shows that higher incomes resulting from a minimum wage increase can translate to a range of other important improvements in the lives of struggling low-paid workers and their households:

□ **Decreased poverty:** For workers with the lowest earnings, a study by the University of Massachusetts shows that the additional pay can increase workers' net incomes and lift them and their families out of poverty.¹⁷ A reduction in poverty can lead to a corresponding decrease in the use of taxpayer-funded social safety net programs such as food stamps and cash assistance, according to another study by the University of California and the Center for American Progress.¹⁸

□ **Decreased rates of child abuse and neglect:** An analysis of child maltreatment rates found “evidence that increases in minimum wage reduce the risk of child welfare involvement, particularly for neglect reports and especially for young and school aged children. Immediate access to increases in disposable income may affect family and child well-being by directly affecting a caregiver's ability to provide a child with basic needs.”¹⁹

□ **Improved infant health outcomes:** A study by researchers from Emory University, the University of North Texas and the University of Florida at Gainesville found that “a dollar increase in the minimum wage above the federal level was associated with a 1% to 2% decrease in low birth weight births and a 4% decrease in postneonatal mortality.”

□ **Improved adult mental health outcomes:** A study by researchers from the United Kingdom and the Netherlands found that increasing the minimum wage leads to improved mental health by lessening the strain of financial hardship. Specifically, they found that “[t]he intervention group, whose wages rose above the minimum wage, experienced lower probability of mental ill health compared with both control group

□ **Improved health and wellbeing:** A California study estimated that an increase in the state's minimum wage to \$13 per hour by 2017 “would significantly benefit [the] health and well-being” of Californians, and that they “would experience fewer chronic diseases and disabilities; less hunger, smoking and obesity; and lower rates of depression and bipolar illness. In the long run, raising the minimum wage would prevent the premature deaths of hundreds of lower-income Californians each year.”

□ **Improved educational outcomes:** A National Institutes of Health (NIH) study determined that for children in low-income households, “[a]n additional \$4000 per year for the poorest households increases educational attainment by one year at age 21.”²³ Similar research analyzing the effects of small income boosts—between \$1,000 to \$3,000 (in 2005 dollars)—among low-income families shows that these small increases in household income can have modest but significant benefits for young children, whose educational achievement and performance were shown to increase, and their employment outlook (as adults) also improved.

□ **Improved graduation rates:** A study by University of Massachusetts researchers found that high dropout rates among low-income children can be linked to parents' low-wage jobs, and that youth in low-income families have a greater likelihood of experiencing health problems.

The Maryland General Assembly should set the floor for wages so workers are not left behind and then forced to rely on social safety net services that WE ALL shoulder the burden for as a result.

We must do right by Maryland working families.

For all of these reasons, we respectfully urge the Committee to issue an UNFAVORABLE report for SB862