

## HB0841: MD Wage and Hour Law Agricultural Stands, Retail Farms, and Farmers Markets Official Testimony

Position: **UNFAVORABLE** 

Members of the Economic Matters Committee,

My name is Brig Dumais, and I'm a Business Organizer with the Fight for 15 Coalition testifying in **strong opposition** to HB0841, a bill gutting the Fight for 15 bill that passed in 2019. It's is incredibly disheartening that efforts to further weaken the bill are still being pursued, especially because we haven't even reached the \$15/hour minimum wage yet. Adding insult to injury, we are in the middle of a severe pandemic, and many workers that would be exempted from wage increases if this bill were to pass are **essential workers**. Now is the time to pay them *more*, not keep their base wages too low. It's unfair to ask essential workers to do more and earn less.

This Committee and the majority of the legislature already agreed that \$15 is needed because there is nowhere in the state where anyone can get by with less, and in most regions of the state – including the Eastern Shore -- \$15 is not even a living wage. A lot of compromises were made in the original Fight for 15 bill that exempted far too many workers already, including youth and agricultural workers. However, we agreed that the \$15 minimum wage *should* apply to retail workers. The definition of retail is "the sale of goods to the public in relatively small quantities for use or consumption." So workers at farmers markets are and should continue to be classified as retail workers.

The benefits to workers when we have a \$15 minimum wage are clear. I'm here to remind everyone that raising the minimum wage to \$15/hour for all workers is also good for business because it spurs much needed economic growth.

1) Workers are consumers too. If people are not earning a living wage, they are not able to spend money at local businesses because they are living paycheck to paycheck. Raising wages enables low wage workers to support small businesses.

- 2) **Keeping wages low puts small businesses at a competitive disadvantage** because working people will shop based on what they can afford, and bigger businesses tend to have lower prices.
- 3) **Higher wages reduce the overall cost of business.** Jobs that pay the lowest wages have the highest turnover rates. Retaining employees long term by paying them living wages ultimately saves money by reducing the costs of recruitment and training-- both of which are costly for business owners. Furthermore, long term employees make fewer mistakes, have increased productivity, and produce less waste, saving businesses owners even more money.
- 4) \$15/hour leads to better customer service. In the age of online shopping, one of the things that keeps customers returning to brick-and-mortar stores is high quality customer service. When workers are less stressed about their income, they are more attentive on the job and more friendly to customers. Workers feel valued when they earn a living wage, and when they feel valued, they will contribute more to the success of the business where they work.
- 5) Lower poverty rates reduce the strain on social safety-net program. When workers can't pay their bills, they are often forced to rely on programs like Section 8, SNAP, etc. And, with COVID19, there is even more strain on safety net programs than before. While it is good to have these programs as a safety net, it is not sustainable for workers to have to rely on them long term, so businesses need to pay their employees enough that they will not need such programs to survive. It is unfair to the taxpayers for us to have to subsidize low wages.

Implementing additional carve-outs after the Fight for 15 bill has already passed is a bad precedent that will create a slippery slope to further eroding the \$15/hour minimum wage, leaving more and more working families behind. Our economy is only as strong as the lowest paid worker. When workers are doing well, the economy does well. It's that simple. I strongly urge the Committee to issue an **unfavorable** report on HB0841.

With all due respect,

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