



**Hearing Testimony February 22, 2022
House Economic Matters Committee
Service Employees International Union, Local 500, CtW, CLC**

House Bill 698: Labor and Employment - State Minimum Wage Rate - Increase

SUPPORT

Dear Chairman Wilson, Vice Chair Crosby, and members of the House Economic Matters Committee,

On behalf of the 20,000 working people in our region represented by SEIU Local 500, we offer our strong support for **House Bill 698**. Our union represents the support staff at the Montgomery County Public School system, Family Child Care Providers, Faculty at institutions of higher education, staff at non-profits, and many other working people across the region.

During the pandemic, the federal and state government took action to protect families and working people who were laid off, faced health or child care struggles, or otherwise could not get to work. These supports – stimulus checks, unemployment support, the child care tax credit, extended paid leave, and student loan reprieves – have largely dried up, despite worsening inflation and stagnating wages. In addition, the unemployment tax credit saved many families about \$10,000 in 2020, and Marylanders are looking at paying taxes on those benefits for 2021.

This legislation would help lower poverty rates and reduce the strain on social safety-net programs. When workers can't pay their bills, they are often forced to rely on programs like Section 8, SNAP, etc. 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 and will not feel the loss of them so acutely.

HB 698 is good for business. Workers are consumers too. If thousands of 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 contribute to the economy. Higher wages are good for small businesses, too. Keeping wages low puts small businesses at a competitive disadvantage because people make purchases based on what they can afford, and bigger businesses tend to have lower prices.

Our economy is only as strong as the lowest paid worker. When workers do well, businesses do well.

This legislation would help families meet their needs and fill the gaps from temporary financial relief.

HB 698 promises to put working Marylanders on the path to a \$15 per hour minimum wage by accelerating the implementation timeline, so that by July 1, 2023, the fight for \$15 will be complete. SEIU Local 500 strongly supports this legislation.

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