
BILL NO: Senate Bill 555
TITLE: Fair Wage Act of 2023
COMMITTEE: House Economic Matters (Cross Over Hearing)
HEARING DATE: March 30, 2023
POSITION: **FAVORABLE WITH AMENDMENT**

Since the legislature passed the Minimum Wage Act in 2019, Marylanders have weathered a pandemic and sustained economic instability. Frontline workers, many of whom were directly affected by the minimum wage law, worked tirelessly to keep our essential businesses and services running, and showed just how valuable their work is. Unfortunately, the wage increases implemented by the 2019 law have not kept up with inflation, meaning that those workers who we relied upon so heavily over the past several years are in many cases no better off than they were before the passage of the 2019 law. **Additionally, we would like to see an amendment to the bill, conforming to the original version, which would index the minimum wage, tying it to inflation.**

The Fair Wage Act of 2023 will make two changes to the current law that will have tremendous benefits to Maryland workers and the economy. First, the bill will accelerate the timeline so that all affected workers will be making \$15 by the end of this year. This will partially make up for the rising cost of living we have seen since the pandemic. To ensure workers do not fall behind again, the bill will also tie the minimum wage to the consumer price index. This way, wages will keep pace with cost of living, so that workers will at minimum be able to afford the necessities. Without indexing, workers earning the state's basement wage will continue to see the value of their work erode as costs rise. Indexing the minimum wage will help employers, who will have more predictable labor costs. The Women's Law Center of Maryland (WLC) supports Senate Bill 555 as a necessary step to addressing the worker wage imbalance.

Women account for less than half of the U.S. working population, yet nearly 6 in 10 workers earning the minimum wage are women¹. Many are working full time and yet they are still living below the poverty line². In Maryland, two-thirds of families now have women as sole, co, or primary breadwinners. Women of Color constitute 23% of minimum wage workers, yet only 16% of the general workforce³. These statistics underline the need for progressive minimum wage laws that accurately reflect the growth and demands of our communities.

Maryland workers deserve higher wages, and while the Minimum Wage Act of 2019 was a step in the right direction, workers continue to struggle to make ends meet. Inflation is on the rise, and even in one of the wealthiest states in the nation, families are struggling to meet basic human needs despite working full time. There is currently nowhere in the state that even a single adult with no children can afford a basic standard of living on less than \$15 per hour. This is unacceptable and the Fair Wage Act will remedy this by accelerating the 2019 timeline and tying the minimum wage to the consumer price index.

Therefore, the Women's Law Center of Maryland, Inc. urges a favorable report on Senate Bill 555.

The Women's Law Center of Maryland is a private, non-profit, legal services organization that serves as a leading voice for justice and fairness for women. It advocates for the rights of women through legal

¹ Pew Research Center, <http://www.pewresearch.org/fact-tank/2014/05/05/more-women-than-men-earn-the-federal-minimum-wage/>

² U.S. Department of Labor, <https://blog.dol.gov/2015/03/19/facts-about-women-and-the-minimum-wage>

³ National Women's Law Center, <http://nwlc.org/resources/fair-pay-women-requires-fair-minimum-wage/>

assistance to individuals and strategic initiatives to achieve systemic change, working to ensure physical safety, economic security, and bodily autonomy for women in Maryland.