



TESTIMONY ON SB 555 - "Fair Wage Act of 2023"

TO: Hon. Melony Griffith, Chair, and members of the Senate Finance Committee

FROM: Gina Schaefer, Owner, A Few Cool Hardware Stores

DATE: March 2, 2023

POSITION: SUPPORT

My name is Gina Schaefer, owner of A Few Cool Hardware Stores. Since opening our first store twenty years ago, A Few Cool Hardware Stores has grown to a company of 12 stores in Maryland, Washington, D.C. and Virginia. We have three stores in Baltimore, including Canton Ace Hardware, Federal Hill Ace Hardware and Waverly Ace Hardware & Garden Center, as well two stores in Montgomery County, Old Takoma Ace Hardware and Silver Spring Ace Hardware.

We strongly supported raising Maryland's minimum wage to \$15 when it passed in 2019. Given large increases in the cost of living in Maryland, affecting low-income workers and communities particularly hard, we support Senate Bill 555 to speed up implementation of the \$15 minimum wage and add an annual cost of living adjustments to ensure the minimum wage keeps pace in the future.

We couldn't have grown to 12 hardware stores without our dedicated employees and the customers they serve every day. We know from experience that raising pay at the bottom is good for the bottom line.

Our employee retention rates are higher than the industry average. That saves us time and money in hiring and training new employees due to needless turnover rather than intentional workforce expansion. Paying fair wages helps us attract and retain good employees, increase sales, expand our business, and hire more employees.

When employees earn a decent starting wage, they can concentrate on their job and our customers without continual stress over how they are going to afford basics like rent, groceries or transportation. They can focus on delivering great customer service, which is vital for local businesses like ours. We never forget our customers have a choice – and they choose us!

Fair pay has always been key to the great service that keeps our customers coming back. And paying better wages and benefits was key to our ability to retain and hire staff throughout the pandemic, when many other retailers had difficulty with hiring and retention.

Our employees showed tremendous dedication throughout the pandemic. They are the people responsible for upholding our reputation and interacting with our customers in good times and in bad. Satisfied customers don't just keep coming back themselves, they tell their friends and families about us.

A few cool 
Hardware Stores

Raising the state minimum wage is an excellent way to boost the economy. Minimum wage increases don't go into workers' pockets and disappear. The money recirculates as spending at local businesses like ours. Whole communities are strengthened.

Annual cost of living adjustments are also vital – not just for workers, but for business. When the minimum wage falls behind cost of living, people have less money to spend at businesses across the state. With indexing, we ensure the minimum wage retains its purchasing power over time.

We operate in two places where the minimum wage is indexed: Montgomery County and Washington, D.C., and it's been good for business in both. In D.C., annual adjustments have taken the minimum wage from \$15 in 2020 to \$16.10 in 2022, with a new adjustment coming this July.

These annual updates have been very manageable and the predictability of these incremental adjustments helps our business plan, just like we do for all our costs and investments. And we know that we'll have an adequate minimum wage supporting our workers and our local economy.

The state of Maryland should adopt this common sense approach, which many other states plus D.C. already use.

Improving Maryland's minimum wage will help businesses hire and retain workers, building more sustainable businesses for the long-term. It will make it more possible for all our communities to thrive.

I urge a favorable report on SB 555. Thank you.

Gina Schaefer
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