

Testimony in Support of Senate Bill 555 Fair Wage Act of 2023

Senate Finance Committee
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The Maryland State Education Association strongly supports Senate Bill 555. Senate Bill 555 accelerates the increase in the minimum wage to \$15.00 per hour beginning October 1, 2023. Under current law, the minimum wage increase of \$15.00 per hour would not occur until January 1, 2025. MSEA applauds Governor Moore and the legislative sponsors for introducing this legislation. Senate Bill 555 is desperately needed to lift the living standards for thousands of Marylanders across the state.

MSEA represents 75,000 educators and school employees who work in Maryland's public schools, teaching and preparing our almost 900,000 students so they can pursue their dreams. MSEA also represents 39 local affiliates in every county across the state of Maryland, and our parent affiliate is the 3-million-member National Education Association (NEA).

In addition to accelerating the minimum wage increase, Senate Bill 555 also indexes future minimum wage increases to inflation, up to five percent, beginning July 1, 2025. Currently, nineteen states and the District of Columbia index their minimum wage for inflation.¹ Lawmakers have the responsibility to act to ensure future minimum wage increases are not subject to political will, but rather reflect the changing economic climate that workers experience every day.

Senate Bill 555 is an important step to bring economic relief to working families. Research finds that Senate Bill 555 would increase wages for approximately 175,000

¹ The Economic Policy Institute, *Minimum Wage Tracker*, (Values as of January 1, 2023), <https://www.epi.org/minimum-wage-tracker/> (last accessed 2/28/2023).



workers and benefit approximately 126,000 children.² Workers benefiting from this legislation on average would experience a wage increase of \$0.74 per hour, amounting to \$1,070 per year.³ Within the group of workers receiving a wage increase under Senate Bill 555, fifty-eight percent are women and forty-three percent have family income less than double the poverty line.⁴ The acceleration of the minimum wage is critical to working families' economic well-being. The purchasing power of workers over the course of the past year has been eroding due to rising inflation. Rising prices, whether for gas, food, clothes, or housing, has squeezed far too many families into making difficult financial decisions. The Fair Wage Act of 2023 will bring meaningful relief to hundreds of thousands of Marylanders.

We urge the committee to issue a Favorable Report on Senate Bill 555.

² Christopher Meyer and Jasmin Aramburu, Maryland Center on Economic Policy, *The Fair Wage Act Would Benefit 175,000 Workers in Maryland* (Feb. 27, 2023), <https://www.mdeconomy.org/minimum-wage/>.

³ *Id.*

⁴ *Id.*