

Testimony on Senate Bill 555 Fair Wage Act of 2023 Before the Senate Finance Committee March 2, 2023

Aaron Seyedian, Owner, Well-Paid Maids Position: SUPPORT

My name is Aaron Seyedian and I am the owner of Well-Paid Maids, a home cleaning company serving customers across Montgomery and Prince George's Counties, in addition to D.C., Northern Virginia, and New York City. I'm also a member of Business for a Fair Minimum Wage. I strongly support Senate Bill 555.

All employees at Well-Paid Maids make at least \$22 per hour and receive a full benefits package including health, dental, life and vision insurance and paid time off. In our experience, offering good wages and benefits leads to a happier, healthier, and more productive workforce. And – having doubled in size over the last year – I can tell you it leads to more customers, as consumers search for the quality and reliability that comes from fairly-compensated employees.

In a sector known for low pay, Well-Paid Maids' success is proof that fair wages are not only good for business, but that they are compatible with every industry.

Now, despite all the data showing that a higher minimum wage is good for the economy, many will cite the pandemic's long tail of business impacts to make the case that now is not the right time. Having raised our own wage floor by \$3 in the spring of 2021, immediately following the most acute phase of the pandemic, I can tell you that's not the case.

By most accounts – after seven months of being closed and six months of barebones operations due to low demand because of virus fears – spring 2021 was not the "right time" to raise wages. But my staff had been through a lot, and we knew our employees needed higher wages to get by. Having seen the benefit of higher wages since our founding, we trusted our experience and implemented the increase.

The benefits of this pay increase surprised even me. The \$3 per hour bump massively boosted the number of applicants applying for our open positions. And it also improved our retention over the next year, cutting turnover by almost 30%. Due to this increase in our wage floor (and another smaller one since then) we have had no trouble finding qualified applicants to fill and remain in our open positions.

Financially speaking, increasing our starting wage *saved* us money and time. Turnover is incredibly expensive. We've calculated it costs us \$6,000 every time an employee leaves to advertise the job, interview for it, hire a candidate, and train and equip the new employee. Higher wages allow us to reduce turnover and save that investment of money and time. What's more, higher wages keep our employees productive and efficient and keep morale high, which helps us retain and grow our

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customer base. In almost six years, we have grown to a staff of over 30 full-time employees and are continuing to hire and expand to meet growing customer demand.

In short, I have seen the difference a living wage makes for my employees, my business, and the local economy.

Hopefully, our experience helps make clear why it's time for Maryland to accelerate its path to a \$15 minimum wage. A higher wage floor for our state will improve productivity, ease hiring, reduce turnover, and delight customers, all while putting more dollars in the pockets of hardworking Marylanders.

But we can't stop there. We must add indexing to Maryland's minimum wage so that it keeps pace with rising costs and doesn't fall behind again. This can't be a one-time fix, only for the minimum wage to start losing purchasing power again next year. Businesses and our economy depend on consumer spending, which depends on income.

Two of the jurisdictions where we operate have indexed their minimum wage to the rising cost of living: Montgomery County and Washington, D.C. Montgomery County started indexing the minimum wage for the largest employers last year. D.C. reached a \$15 minimum wage in 2020 and has had annual COLAs since. In 2021, D.C.'s minimum wage increased to \$15.20. In 2022, it increased to \$16.10.

These have *not* been huge jumps, but rather incremental annual adjustments that ensure the minimum wage continues to reflect cost of living – and that the purchasing power of the minimum wage remains strong. Annual indexing is good for business because it ensures working people are making enough to live and to fuel our consumer-driven economy.

Maryland needs to follow suit and ensure the minimum wage keeps up over time.

Too often in the minimum wage debate, we struggle to see what's plainly in front of us. Why are some businesses and industries struggling to hire and retain workers? Why are we facing a lopsided recovery from the pandemic, where many people are unable to make ends meet while others grow wealthier than ever? Too many workers are not getting paid enough to live on. That's not just bad for workers – it's bad for businesses and for economic growth.

I respectfully urge the Committee to give a favorable report to Senate Bill 555. Thank you.

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