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SB 555 - Fair Wage Act of 2023

Senate Finance Committee

March 2, 2023

SUPPORT

Donna S. Edwards

President

Maryland State and DC AFL-CIO

Madame Chair and members of the Committee, thank you for the opportunity to submit testimony in support of SB 555. My name is Donna S. Edwards, and I am the President of the Maryland State and District of Columbia AFL-CIO. On behalf of Maryland's 300,000 union members, I offer the following comments.

If Congress had continued to increase the minimum wage in line with productivity growth since 1968, the historical high point of the minimum wage, today it would be over \$22 per hour.¹ Our lowest paid workers have been denied a share of the increase in wealth in this country, nor have they received the benefits of their increased productivity. Leaving no one behind must include our state's lowest paid workers.

The General Assembly passed "Fight for \$15" legislation in the 2019 Session with a slow phase-in of the minimum wage increase until we reached \$15 per hour by 2026. Workers need \$15 now with indexing to Bureau of Labor Statistics data. This guarantees that our minimum wage will remain competitive and will not require yearly bills in the General Assembly to adjust for inflation.

Minimum wage increases at the state level are increasingly common. 23 states and 27 cities increased their minimum wages on January 1, 2023.² These increases covered over 8.4 million workers and are the result of a nationwide movement of workers demanding increased wages to fight higher costs at the grocery store, the gas station, and in their homes. Four additional states will implement increases through the end of the year. Many employers known for hiring workers at minimum wage have already increased starting wages beyond \$15 per hour.³

¹ Ben Zipperer. "The minimum wage has lost 21% of its value since Congress last raised the wage." Economic Policy Institute's Working Economics Blog. July 22, 2021.

<https://www.epi.org/blog/the-minimum-wage-has-lost-21-of-its-value-since-congress-last-raised-the-wage/>

² Mary Ellen Cagnassola. "Minimum Wage Workers Just Got a Raise in These 23 States" Money.Com. January 2, 2023. <https://money.com/states-minimum-wage-increase-2023/>

³ Amelia Lucas. "More than half of U.S. states will raise their minimum wage in 2022, but employers are hiking pay faster." CNBC. December 29, 2021.

A common criticism of a minimum wage increase is that “these are jobs held by teenagers”. However, that is only true of 20% of those who are paid minimum wage.⁴ In fact, the typical worker who benefits from a \$15 minimum wage is a *35-year-old woman with some college-level coursework who works full time*. The Economic Policy Institute found that, “Nearly one-third (31%) of African Americans and one-quarter (26%) of Latinos would get a raise if the federal minimum wage were increased to \$15.” Low pay creates “the working poor” – those who hold down two, and sometimes three, jobs just to make ends meet, and qualify for multiple public assistance programs.

The time to raise the minimum wage to \$15/hour is now. We urge the committee to issue a favorable report on SB 555.

⁴ Economic Policy Institute. “Why the U.S. needs a \$15 minimum wage: How the Raise the Wage Act would benefit U.S. workers and their families.” January 26, 2021.