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Madam Chairwoman, Vice Chair Klausmeier, and Members of the Finance Committee,

On behalf of Governor Wes Moore, I urge a favorable report on SB555, the Fair Wage Act of 2023. This legislation accelerates the planned increase to a $15 minimum wage, fully implementing that wage for all covered employers as of October 1, 2023. This legislation will increase the family income of hundreds of thousands of Marylanders, including more than 152,000 Maryland children. The Fair Wage Act also indexes the minimum wage to the Consumer Price Index beginning on July 1, 2025, capped at 5% per year. Indexing allows for employee wages to keep pace with inflation and provides more predictability for businesses who are able to plan around regularly scheduled, incremental increases in labor costs.

In 2019, the Maryland General Assembly laid the groundwork by passing legislation that would raise the minimum wage to $15 for all workers in 2026, with most workers reaching $15 by 2025. Today, 1 in 10 kids in Maryland has a parent earning less than $15 per hour. As our state continues to adjust to life after the pandemic it is imperative that we expedite the minimum wage increase to combat the cost of living. Data has shown us higher minimum wage means higher incomes for the families who will spend that money fastest. More than anyone else, families living paycheck to paycheck quickly cycle every dollar of income back into the local economy by buying essentials This, in turn, means stronger sales at local businesses across Maryland.

During Governor Moore's State of the State address, he mentioned the need to change the trajectory of our state for generations to come and set up our children to win the next decade. Accelerating the increase to a $15 minimum wage step in the right direction that will ensure that more kids in Maryland have enough food on the table, clothes on their backs, and a safe place to live.

Again, I urge a favorable report on SB555, the Fair Wage Act of 2023.

Best Regards,

Myles Hicks
Deputy Legislative Officer