



MAINE AFL-CIO

A Union of Unions Standing for Maine Workers
21 Gabriel Drive, Augusta, Maine 04330



(207) 622-9675

Visit our website: www.maineaflcio.org

President
Cynthia Phinney

Vice President
Grant Provost

Secretary Treasurer
Doug Born

Testimony of Adam Goode, Maine AFL-CIO Legislative & Political Director, Neither for Nor Against LD 853 “An Act to Replace the Minimum Hourly Wage with a Regionally Based Living Wage” and in Opposition to LD 206 “An Act to Protect Maine Businesses by Eliminating the Automatic Cost-of-living Adjustment to the Minimum Hourly Wage”

Senator Tipping, Representative Roeder and members of the Joint Standing Committee on Labor, my name is Adam Goode. I am the Legislative & Political Director of the Maine AFL-CIO. We represent 40,000 working people in the state of Maine. We work to improve the lives and working conditions of our members and all working people. We testify neither for nor against LD 853 and in opposition to LD 206.

We testify in opposition to LD 206, which would repeal future cost-of-living adjustments to Maine’s minimum wage. We are opposed to any efforts to lower, weaken, slow or in any way undermine the Minimum Wage. In 2016 voters passed by referendum an increase in the minimum wage that has steadily raised wages, lifted working Mainers out of poverty and raised expectations of the working class. We are opposed to this bill and will be opposed to any efforts to lower, weaken, slow or in any way undermine the Minimum Wage.

Since working families earned wage increases at the ballot box in November of 2016, wage increases have helped with basic “food on the table” survival issues. The increases in wages have given the economy a boost through increased consumer spending and have created momentum for unionized workers to win wage increases in their collective bargaining agreements. This has been good for all working people and has helped small businesses and everyone in Maine.

Low wage workers get the most direct gains from the higher minimum wage. Workers in the lowest paid industries experience the biggest proportional wage gains. The same principle applies to exclusions that lower wages for young people and delay cost-of-living adjustments to the minimum wage. People who work in the lowest paid industries stand to either gain or lose the most through these changes.

We would remind the committee that while unionized workers who are employed under collective bargaining agreements largely make more than minimum wage, there are many very modestly paid union members whose wages are treated in relation to the minimum wage. The loss of a cost-of-living increase could mean lower wages for a firefighter or a cook in a rural nursing home.

¹<https://www.cbo.gov/system/files/2021-02/56975-Minimum-Wage.pdf>

²<https://irle.berkeley.edu/wp-content/uploads/2010/11/Minimum-Wage-Effects-Across-State-Borders.pdf>

³https://www.epi.org/minimum-wage-tracker/#/min_wage/Montana

⁴<https://www.morningstar.com/news/marketwatch/20250205131/corporate-profits-are-near-all-time-highs-while-wages-are-near-lows-how-long-can-this-last>

⁵<https://www.payscale.com/payscale-index>

⁶<https://www.epi.org/blog/profits-and-price-inflation-are-indeed-linked/>

Maine's method of cost-of-living indexing to raise wages is the same system used to update Social Security benefits and federal personal income tax brackets. These tend to be modest increases in wages, designed to keep pace with rising housing and living costs. Eliminating cost-of-living adjustments to the minimum wage means less money for working people without any protections from increasing costs of their day-to-day expenses. The cost of groceries does not remain the same year in and year out, and neither should the minimum wage. The minimum wage is indexed for inflation in at least 20 states, including Florida, Arizona, Missouri, Montana and Ohio have annual cost-of-living adjustments, which has never produced evidence of job losses or abrupt increases to wages.^{1,2,3}

Rolling back Maine's minimum wage with elimination of the cost-of-living increases or with any other delays, cuts, carve-outs or subminimum wages will make life harder for people who go to work every day to provide for their families. For those reasons we ask that you vote against LD 206 and any effort to undermine Maine's current minimum wage law.

With regard to LD 853, we are supportive of raising wages to a living wage level. Unlike LD 206, this approach would put working people on a level playing field, especially when it applies to all workers and maintains yearly cost-of-living adjustments.

While we believe that someone who works full time should have enough money to live on and that no person who works full time should live in poverty, we would want to have a solid understanding of how the MIT living wage calculator works before changing statute to delegate the state's wage laws to the calculator. We are also reluctant to have the floor for the minimum wage that an employer can pay vary based on regions in the state. Many of the workers who have gained the most from past wage increases have lived in rural Maine and the 2nd Congressional District. We would want to ensure that as wages increase in the state nobody is left behind.

Someone who works full time should make enough to live on. No person who works full time should live in poverty. Raising the minimum wage through a voter approved referendum in 2016 helped move families out of poverty, stimulated the economy and was done so through a gradual approach that saw businesses of all types adjust, and almost immediately benefit through increased consumer spending. Past wage increases worked as intended by helping to increase wages with no apparent adverse impact on employment. We see a continuation of this approach as having the same impact and are supportive of thoughtful approaches to raise the minimum wage in Maine to a living wage.

Most of our affiliates earn wages that are higher than the current minimum wage. We support increasing wages as an approach that is in line with our experience that the entire working-class benefits, regardless of sector, whenever working people raise their expectations. This was our experience in 2017. At that time, Ronnie Green, a long time, now retired firefighter and member of the Professional Firefighters of Maine, commented on the minimum wage issue, stating the following:

"I represent firefighters all over the region, and we have starting firefighters/EMTs who are earning less than \$12. In fact, we have starting firefighters with EMT and other certifications, who are doing difficult work and are earning \$10.40 an hour or \$11 per hour. \$10.40 an hour to run into burning buildings and give emergency medical treatment at accidents. They are seeing their wages rise thanks to the minimum wage referendum."

We share this quote as a point of reference for how these wage increases won through the legislative process help people, especially in rural Maine. We have heard the exact same story from nursing home workers in Eastport, laid off mill workers in their 60s going back to a new job until they can reach Medicare age, firefighters and EMTs throughout the 2nd CD and others.

Low wages have become the new norm in America and in Maine. Across the board, wages are too low and they've been that way for 40 years. In recent years, real wages (compensation adjusted for inflation) are at their lowest

point as a percentage of GDP, while corporate profits as a percentage of GDP have climbed to their highest point.^{4,5} This is piled on top of increased costs of that were absolutely exacerbated by an increase in corporate profit margins during the pandemic.⁶ There is a deep structural imbalance in this economy and the low wage economy does not just fix itself. So called magical market forces had a state minimum wage frozen at \$7.50 for nearly a decade. We took action and working people benefitted. We should continue that trend.

¹<https://www.cbo.gov/system/files/2021-02/56975-Minimum-Wage.pdf>

²<https://irle.berkeley.edu/wp-content/uploads/2010/11/Minimum-Wage-Effects-Across-State-Borders.pdf>

³https://www.epi.org/minimum-wage-tracker/#/min_wage/Montana

⁴<https://www.morningstar.com/news/marketwatch/20250205131/corporate-profits-are-near-all-time-highs-while-wages-are-near-lows-how-long-can-this-last>

⁵<https://www.payscale.com/payscale-index>

⁶<https://www.epi.org/blog/profits-and-price-inflation-are-indeed-linked/>

Adam Goode
ME AFL-CIO
LD 853

This is my written testimony. I will also testify over zoom