

**Testimony in Opposition to LD 112, "An Act to Promote Opportunities by Establishing a Student Wage"**

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Arthur Phillips

Good afternoon, Senator Tipping, Representative Roeder, and Members of the Joint Standing Committee on Labor. My name is Arthur Phillips. I'm a Policy Analyst at the Maine Center for Economic Policy and I am here to testify in opposition to LD 112, "An Act to Promote Opportunities by Establishing a Student Wage." MECEP opposes LD 112 because it would undercut our minimum wage law and harm younger and older workers alike.

Our state minimum wage is based on the premise that there is an absolute wage floor under which no worker should fall. This bill would undermine that commitment in ways that are unfair and counterproductive. It would create an arbitrary disparity based on age and would implement an enormous pay cut for teen workers who, in many cases, are helping their families pay the bills or saving for higher education or future investments.

Data shows that a greater share of teens are working today than in recent history. In 2017, approximately 15,000 or 18.7% of Mainers aged 14-18 were in the workforce; in 2023, more than 19,000 or roughly 25% were working.<sup>i</sup> This trend suggests a few things:

- Maine's strong labor market is incentivizing employers to hire teenagers at or above the full state minimum wage.
- The state minimum wage, with annual cost-of-living adjustments, is not having a negative employment effect on teen workers.

This bill would disproportionately harm young people from low-income households who rely on their wages to contribute to family expenses. A MECEP analysis in 2018 found that more than one in four teens who would be impacted by a sub-minimum wage were living in or near poverty.<sup>ii</sup>

Creating a sub-minimum wage for high school workers would disproportionately harm low-income children and families but, counter to the apparent goals of the bill, it would disincentivize some teenage students from working and incentivize others to drop out of school to earn the full minimum wage. The bill would also incentivize employers to fire workers once they leave high school, establishing a permanent class of underpaid high school workers. The bill would also undercut older workers' competitiveness in the labor market, harming a demographic that already faces greater challenges finding work in the years before retirement.

While the bill as presented – paying high schoolers half the minimum wage for a full two years – is a radical proposal, we urge the committee to reject any attempts to undercut the state

minimum wage by creating a tiered wage based on age. For the sake of fairness and our state's economic productivity, we should not discriminate against workers on the basis of age.

Thank you for your time and I am happy to answer any questions you may have.

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<sup>1</sup> Data from American Community Survey microdata, three-year averages to account for margin of error; and Quarterly Workforce Indicators, US Census Bureau, available at <https://qwiexplorer.ces.census.gov/>

<sup>11</sup> <https://www.mecep.org/blog/lawmakers-are-considering-a-bill-to-cut-the-minimum-wage-heres-why-they-should-oppose-it/>