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Testimony of Nate Cloutier

Before the Joint Standing Committee on Labor  
March 18, 2025

**In Support of LD 112, *"An Act to Promote Opportunities by Establishing a Student Wage"***

Senator Tipping, Representative Roeder, and distinguished members of the Joint Standing Committee on Labor, my name is Nate Cloutier, and I am here today on behalf of HospitalityMaine, representing Maine's restaurant and lodging industries. I am also testifying on behalf of the Maine Tourism Association (MTA). MTA has been promoting Maine and supporting members in every type of tourism business, such as lodging, restaurants, camps, campgrounds, retail, guides, tour operators, amusements, and historical and cultural attractions for over 100 years. HospitalityMaine and the Maine Tourism Association support LD 112, *"An Act to Promote Opportunities by Establishing a Student Wage."*

LD 112 would establish a student wage at 50% of the state's minimum wage for secondary school students for a period of up to two years.

Maine's hospitality and tourism industries are pillars of the state's economy, providing tens of thousands of jobs and driving substantial economic activity. However, businesses in these sectors face mounting challenges. Rising costs for food, utilities, credit card processing, and labor have forced many businesses to scale back operations. At the same time, these industries rely on a steady workforce, and young workers represent an essential entry point into the labor market. Without a practical way to hire and train students, businesses will struggle to maintain a workforce pipeline, limiting opportunities for Maine's youth.

Student employees require significant on-the-job training and supervision. Unlike experienced workers, they are often learning workplace fundamentals for the first time—developing time management, customer service, teamwork, and other essential skills. Employers invest considerable resources in training these young workers, and it takes time before they develop the skills necessary to contribute at the same level as experienced employees. Employers dedicate extensive resources to training these

young workers, yet current wage structures do not reflect this reality. It takes time before student employees gain the skills necessary to contribute at the same level as experienced workers, making a student wage a reasonable approach.

Over the past nine years, Maine's minimum wage has nearly doubled, rising from \$7.50 in 2016 to \$14.65 in 2025, with automatic annual increases tied to inflation. While these changes have raised wages for workers, they have also significantly increased labor costs for businesses, particularly in hospitality and tourism, where profit margins are already razor thin. These rising costs have led to reduced hiring, limited job availability for young workers, and increased financial strain on small businesses.

Many states and federal policies recognize a distinction between training wages and standard minimum wages. The federal government allows a youth minimum wage for the first 90 days of employment for workers under 20, and other states have adopted similar policies to encourage youth employment. Internationally, countries such as the United Kingdom have established youth wage structures. Whether through a percentage-based student wage, as proposed in this bill, or through a structured wage ramp-up period, this concept deserves the committee's consideration to sustain small businesses while expanding job opportunities for students.

The hospitality industry has long served as a gateway for young workers, providing critical first-job experiences that prepare them for long-term careers, whether in hospitality or other fields. By ensuring that businesses can afford to hire and train students, LD 112 directly supports career development and economic mobility, equipping Maine's workforce with skills that benefit the broader economy.

Thank you for your time and consideration. I would be happy to answer any questions.