

Maine Grocers &
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March 25th, 2025

Senator Mike Tipping, Chair
Representative Amy Roeder, Chair
Members of the Labor Committee

RE: Testimony in OPPOSITION of LD 853 An Act to Replace the Minimum Hourly Wage with a Regionally Based Living Wage

Dear Senator Tipping, Representative Roeder and members of the Labor Committee:

My name is Christine Cummings and I am the Executive Director of the Maine Grocers & Food Producers Association (MGFPA). The Maine Grocers & Food Producers Association and the Retail Association of Maine are jointly opposed to LD 853. Our business trade associations represent Main Street businesses including independently owned and operated grocery stores and supermarkets, general merchandise retailers, and convenience stores, distributors and supporting partners — together representing more than 450 members statewide. Maine's retail sector employs more than 85,000 Mainers.

LD 853 seeks to increase Maine's minimum wage regionally starting in January 2026. In just nine months, this bill proposes three distinct increases ranging from \$22-\$25/hour up from the current \$14.65/hour, a 74% increase in Southern Maine.

There are many challenges beyond the financial burden of such a drastic change to Maine's minimum wage:

Complexity and Implementation Challenges

Dividing Maine into three wage regions—coastal, northern, and Portland metropolitan—introduces complexity for businesses operating across these areas. Managing different wage structures could increase administrative burdens, particularly for small businesses, potentially leading to compliance issues and increased operational costs.

Potential for Wage Disparities

Basing wages on regional living costs may inadvertently institutionalize wage disparities. Workers in lower-wage regions might feel undervalued compared to those in higher-wage areas, leading to decreased morale and potential migration from lower-wage to higher-wage regions, exacerbating workforce shortages in certain areas. A regionally based wage could widen economic disparities

between regions. Lower wages in certain areas might deter investment and perpetuate cycles of poverty, hindering statewide economic growth and equity.

Benchmarking Concerns

By focusing on the wage for 'one adult with no children' it over compensates for those households with both adults working and under estimates for those households with children, raising questions as to the validity of this baseline number for all working adults.

In Maine's 10-year Economic Development Strategy, it is noted that the best way to increase wages is to increase the value of the products and services that we produce by developing new products. The strategy reads, *"This can be done through research and development conducted by public, private, and nonprofit agencies; by increasing capital investment and entrepreneurship; and by increasing the skills and education of the workforce."* RAM and MGFPA stands supportive of efforts that offer consistency. Maine's 10-year EDS specifically states that a key strategy for ensuring a diverse and sustainable economy is to "maintain a stable business environment." The future is in talent, innovation and developing infrastructure not raising the minimum wage to unsustainable levels. LD 853 is the wrong approach.

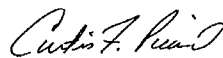
Maine's current uniform statewide minimum wage, adjusted regularly for inflation, ensures simplicity and fairness. It provides all workers with a consistent wage floor, reducing administrative complexities and promoting equitable economic development across all of Maine. We urge the committee to consider these concerns and explore alternative methods to support fair wages statewide.

We urge the committee to quickly vote LD 853 Ought Not to Pass.

Sincerely,



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