



## **Testimony in Support of LD 112:**

**“An Act to Promote Opportunities by Establishing a Student Wage”**

Senator Tipping, Representative Roeder, and the distinguished members of the Committee on Labor, my name is Harris Van Pate, and I serve as policy analyst for Maine Policy Institute. Maine Policy is a free market think tank, a nonpartisan, non-profit organization that advocates for individual liberty and economic freedom in Maine. Thank you for the opportunity to testify in support of LD 112, which proposes a lower minimum wage for those who are currently secondary school students

LD 112 proposes a modest but impactful adjustment to Maine’s minimum wage law, allowing for a lower minimum wage for secondary school students. This policy would help Maine businesses hire young workers while offering students opportunities to gain critical skills and experience without pricing them out of the labor market.

### **Supporting Economic Opportunities for Youth**

First jobs are essential stepping stones for young Mainers to develop the skills and work habits that will serve them throughout their careers.<sup>1</sup> A lower minimum wage for students acknowledges that these jobs often provide more than monetary compensation—they are investments in training and growth. Employers must dedicate time and resources to onboarding inexperienced workers, which can make it less feasible to hire them at the current high minimum wage.

Many states, including Massachusetts and Vermont, have similar policies recognizing the unique nature of youth employment.<sup>2 3</sup> Even federal law creates certain minimum wage exemptions for full time student workers and student learners.<sup>4</sup> By implementing LD 112, Maine would align with these states and create a more competitive labor market for young workers.

### **Addressing Maine's Workforce Challenges**

Maine faces significant workforce shortages, with employers in sectors like retail, hospitality, and agriculture struggling to find workers. Allowing businesses to hire students at a lower rate could help fill this gap, providing a win-win scenario where students gain work experience, and businesses can operate more effectively.

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<sup>1</sup> <https://www.nrpa.org/publications-research/park-pulse/the-important-benefits-of-a-first-job/>

<sup>2</sup> <https://www.jibble.io/labor-laws/us-state-labor-laws/massachusetts/child-labor-laws>

<sup>3</sup> <https://www.keka.com/us/minimum-wages/vermont>

<sup>4</sup> <https://www.dol.gov/agencies/whd/minimum-wage/faq>



Moreover, Maine's current minimum wage law may inadvertently limit opportunities for young workers. Employers often forgo hiring inexperienced students when wages are mandated at levels that reflect the productivity of seasoned workers. LD 112 would ensure students can access valuable job opportunities and develop skills that will serve Maine's economy in the long term.

### **Learning by Doing: The Value of Youth Jobs**

Studies show early workforce experience correlates with higher lifetime earnings and career success. Maine should be a state where young people are encouraged to work, learn, and contribute, not where well-intentioned but rigid labor laws unintentionally lock them out of the workforce.

By adopting a lower minimum wage for secondary school students, Maine can foster an environment where young people are incentivized to take on part-time or seasonal jobs, thereby gaining valuable experience without placing undue financial strain on employers.

### **Conclusion**

LD 112 represents a common-sense approach to fostering youth employment in Maine. It allows young workers to gain experience, supports Maine's businesses in meeting workforce demands, and ensures our state remains competitive with others in the region. For these reasons, Maine Policy Institute strongly urges the committee to support LD 112.

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