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To: Sen. Mike Tipping and Rep. Amy Roeder, co-chairs  
Members, Committee on Labor

From: David R. Clough, State Director in Maine

Re: LD 1267 – Convene a Task Force to Examine and Study Issues Relating to the Gap Between the  
Economic Output and Wages of Workers in the State

This statement neither for nor against LD 1267 is on behalf of the thousands of small business owners in Maine who are members of the National Federation of Independent Business. Member businesses collectively span a wide range of economic activities; provide jobs and paychecks to about 30,000 people; and help form the economic backbone of hundreds of communities and the State.

- LD 1267 directs the Department of Labor to convene an eight-member task force, comprised of representatives from specific labor and business groups (including NFIB), to study various issues relating to worker wages and economic output in Maine and “what can be done to assure that compensation more accurately reflects economic output.”.
- The legislation directs the study to examine five specific issues.

I met recently with Rep. Dylan Pugh, the sponsor, to discuss the bill, explain that NFIB does not have the expertise contemplated, and convey observations about the study.

The issue of wages, productivity, and economic output are important ones that affect workers, employers, customers and taxpayers. Numerous factors influence the equation including population demographics, workforce characteristics, composition and structure of economic sectors, business cycles, competitive pressures within and outside of the state, geographic location of Maine and within the state, and regulatory policies at the local, state, and federal levels.

Whatever is done with LD 1267 and its underlying purpose, including more awareness of the intricate interplay among key productivity factors and how they translate into worker wages, could be very useful in making public policy that is broadly beneficial. Perhaps economists at the Maine Center for Workforce Research & Information (CWRI [www.maine.gov/labor/cwri](http://www.maine.gov/labor/cwri)) can provide some insight on Maine and national studies.

Thank you for being mindful of Maine small business owners.