



# Maine People's Alliance

Senator Hickman, Representative Sylvester, and honorable members of the Joint Standing Committee on Labor and Housing: thank you for the opportunity to testify today in favor of LD 734 and 1279 and in opposition to LDs 543, 455, 774, and 1047.

My name is Rachel Ackoff. I am Campaigns Director for the Maine People's Alliance. MPA is Maine's largest community action organization with over 32,000 members across the state. Our mission is to create a world where everyone has what they need, contributes what they can, and no one is left behind.

MPA strongly supports LD 734 and 1279, which would increase the minimum wage from the current \$12 per hour to \$16 per hour in 2026 in increments of \$1 each year, and starting in 2022, set a minimum hourly rate of \$16 per hour for school support staff. MPA strongly opposes LDs 543, 455, 774, and 1047, which would exclude younger workers from Maine's minimum wage protections, restrict municipal rights to set minimum wages and hazard pay for workers, and arbitrarily delay cost-of-living adjustments to Maine's minimum wage. We are opposed to all attempts to lower, weaken, slow or otherwise tamper with workers' hardwon minimum wage protections.

A strong minimum wage protects workers from poverty and forms the foundation of a fair, thriving economy. Poll after poll shows that a majority of Mainers—from across political parties—support increasing the minimum wage.

In 2016, we led a successful ballot referendum, which raised Maine's minimum wage from \$7.50 an hour to \$9 an hour on Jan. 1, 2017. It was the largest raise in the minimum wage in 15 years. Between 2018 and 2020, the voter approved law continued to raise Maine's minimum wage incrementally from \$7.50 per hour to \$12 per hour. It will continue to increase after 2020 based on the cost of living.

An analysis by the Maine Center for Economic Policy found that income growth in Maine in 2017 was concentrated among the lowest-paid workers. Maine's growth among these households outpaced the nation and New England. [The significant rise at the bottom of the wage scale led to Maine's average personal income to grow faster than the national average in 2017.](#) Overall employment and the average number of hours worked also grew in Maine, disproving warnings that the minimum wage increase would depress hiring and hours. [The increases boosted wages for nearly 171,000 workers, delivering raises worth nearly \\$158 million. In total, approximately 28 percent of Mainers saw a pay increase as a result of the higher minimum](#)

[wage](#).

Increasing the minimum wage also led to the sharpest decline of child poverty in Maine in more than a decade. [In 2017, 10,000 fewer Maine children were living in poverty compared to the prior year. Maine's decline in poverty from 2016 to 2017 was the largest in the country.](#) As a result, thousands of children will do better in school, grow up healthier and earn more over their lifetimes. There has been no widespread negative impact from increasing the minimum wage. [Employment rates were at record highs after the increases, and Mainers were working more hours and making more money than ever before.](#) Restaurants and the tourism industries posted record profits and continued to add locations and employees.

MPA supports a \$16 minimum wage. Unlike other bills you are hearing today, this approach puts working people on a level playing field, as it applies to all workers and it maintains yearly cost-of-living adjustments after 2026. This approach keeps Maine on track with national trends. Someone who works full-time should make enough to live on.

We strongly urge you to oppose legislation seeking to delay cost-of-living increases. This method of raising wages is the same system used to update Social Security benefits and federal personal income tax brackets. A triennial delay would mean less money for working people as we're in the midst of a housing crisis and other costs are continuing to rise.

Rolling back Maine's minimum wage with cuts based on someone's age or delaying cost-of-living increases will make life harder for working families who are already suffering the most under the current pandemic and entrenched inequality.

Taking away municipal rights to increase wages and provide for hazard pay takes away local control and ignores the differences in costs for housing, food and other basic necessities across Maine.

Maine People's Alliance strongly supports LDs 734 and 1279 and opposes LDs 543, 455, 774, and 1047. We urge you to vote against any efforts to either lower wages or prevent future wage increases and ask that you support increasing the minimum wage.

Thank you,

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