



# **MAINE AFL-CIO**

**A Union of Unions Standing for Maine Workers**  
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## **Testimony of Maine AFL-CIO Legislative & Political Director, Adam Goode, in Support of LD 734 and 1279 and in Opposition to LDs 543, 455, 774, 1047 & any attacks on the Minimum Wage**

Senator Hickman, Representative Sylvester and members of Joint Standing Committee on Labor & Housing, my name is Adam Goode. I am the Legislative and Political Director of the Maine AFL-CIO. We represent 40,000 working people in the state of Maine. We work to improve the lives and working conditions of our members and all working people.

We testify in support of LD 1279 and 734. These pieces of legislation 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. We testify in opposition to LDs 543, 455, 774 and 1047, which seek to exclude younger workers from Maine's minimum wage protections, take away municipal rights to protecting both minimum wages and hazard pay for workers, and arbitrarily delay cost-of-living adjustments to Maine's minimum wage. We are opposed to any efforts to lower, weaken, slow or in any way undermine the Minimum Wage.

We support the increase in wages that working families earned through the ballot box after a citizen's initiative in November 2016. Since that overwhelming vote, wage increases have helped working families with basic "food on the table" survival issues. Prior to the COVID pandemic, it was clear the increases in wages gave the economy a boost. Further increases to the minimum wage would increase consumer spending. This is good for all working people, whether black, brown or white, helps small businesses and everyone in Maine.

The Maine AFL-CIO is supportive of 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 other national trends. Costco plans to raise its minimum wage to \$16 per hour this year<sup>1</sup> and Florida is on their way to a \$15 minimum wage.<sup>2</sup> As you move forward with this bill, we would be happy to think creatively about an implementation timeline that both builds on other models around the country and is unique to Maine.<sup>3</sup>

Someone who works fulltime should make enough to live on. No person who works full time should live in poverty. Raising the minimum wage to \$12 helped move families out of poverty, stimulated the economy and was done so through a gradual approach that saw businesses of all types adjust, and almost immediately benefit through increased consumer spending. Past wage increases worked as intended by helping to increase wages with no apparent adverse impact on employment. We see a continuation of this approach as having the same impact.

Most of our affiliates earn wages that are higher than the current minimum wage. We support increasing the minimum wage as an approach that is in line with our experience that the entire working-class benefits,

<sup>1</sup><https://www.npr.org/2021/02/25/971338686/costco-to-raise-minimum-wage-to-16-an-hour-this-isnt-altruism>

<sup>2</sup><https://www.npr.org/2020/11/18/934476124/florida-just-passed-a-15-minimum-wage-is-the-time-right-for-a-big-nationwide-hike>

<sup>3</sup><https://www.epi.org/publication/why-america-needs-a-15-minimum-wage-2019/>

regardless of sector, whenever working people raise their expectations. This was our experience in 2017. At that time, Ronnie Green, a long time, recently retired firefighter and member of the Professional Firefighters of Maine, commented on the minimum wage issue, stating the following:

“I represent firefighters all over the region, and we have starting firefighter/EMTs who are earning less than \$12. In fact, we have starting firefighters with EMT and other certifications, who are doing difficult work and are earning \$10.40 an hour or \$11 per hour. \$10.40 an hour to run into burning buildings and give emergency medical treatment at accidents. They are seeing their wages rise thanks to the minimum wage referendum.”

These firefighters and EMTs have obviously seen their wages increase in the last 4 years. We share this quote as a point of reference for how these increases help people, especially in rural Maine. We have heard the exact same story from nursing home workers in Eastport, laid off mill workers in their 60s going back to a new job until they can reach Medicare age, firefighters and EMTs throughout the 2<sup>nd</sup> CD and others.

We’ve heard the stories of workers who have a few ounces more dignity in their lives as a result of these wages increases - that extra \$30 a week means they can buy windshield wipers for their car or take their grandchildren out to Denny’s. And we’ve heard countless stories of the positive impacts of wage compression from these wage increases, especially in the public sector. Workers who were making \$12 or \$13 an hour after five or ten years saw meaningful wage increases as the minimum wage went from \$7.50 to \$9 to \$11 to \$12.15 an hour over the years. The approach in LD 734 and 1279 would have same result.

Low wages have become the new norm in America and in Maine. Across the board, wages are too low and they’ve been that way for 40 years. In recent years, real wages (compensation adjusted for inflation) are at their lowest point as a percentage of GDP, while corporate profits as a percentage of GDP have climbed to their highest point.<sup>4,5</sup> There is a deep structural imbalance in this economy and the low wage economy does not just fix itself. So called magical market forces had a state minimum wage frozen at \$7.50 for nearly a decade. We took action and working people benefitted. We should continue that trend.

Low wage workers get the most direct gains from the higher minimum wage. Workers in the lowest paid industries experience the biggest proportional wage gains. The same principal applies to exclusions that lower wages for young people and delay cost-of-living adjustments to the minimum wage. People who work in the lowest paid industries will be harmed the most through these changes.

The workers we have cited in our testimony, firefighters or cooks in nursing homes, have wages treated in relation to the minimum wage. Small increases due to the cost-of-living and ripple effects from municipal efforts to increase wages provide eventual economic security that helps working people keep their cars running.

Legislation seeking to delay cost-of-living increases should be opposed. This method of raising wages is the same system used to update Social Security benefits and federal personal income tax brackets. These tend to be modest increases in wages, designed to keep pace with rising housing and living costs. A triennial delay means less money for working people without any protections from increasing costs of their day-to-day expenses. States like Florida, Arizona, Missouri, Montana and Ohio have annual cost-of-living adjustments, which has never produced evidence of job losses or abrupt increases to wages.<sup>6,7</sup>

The small increase in economic security that these bills try to take away help working people keep their cars running, helps keep their homes intact and helps provide groceries for their families.

<sup>4</sup><https://www.seattlebusinessmag.com/blog/real-wages-have-plunged-even-corporate-profits-have-climbed-where-they-now-represent-highest-pe>

<sup>5</sup><https://www.payscale.com/payscale-index>

<sup>6</sup><https://www.cbo.gov/system/files/2021-02/56975-Minimum-Wage.pdf>

<sup>7</sup><https://irle.berkeley.edu/files/2010/Minimum-Wage-Effects-Across-State-Borders.pdf>

Rolling back Maine's minimum wage with cuts based on someone's age or delaying cost-of-living increases will make life harder for people who go to work every day to provide for their families. Taking away municipal rights to increase wages and provide for hazard pay takes away local control and ignores the financial realities of costs for housing, food and other basic necessity in many parts of the state. 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.

<sup>1</sup><https://www.npr.org/2021/02/25/971338686/costco-to-raise-minimum-wage-to-16-an-hour-this-isnt-altruism>

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