

**Testimony of
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Executive Vice President
On Behalf of the Maine State Chamber of Commerce
In Support of L.D. 543, An Act To Provide That the Minimum Wage Increases by the Cost of Living Every
3 Years**

April 12, 2021

Senator Hickman, Representative Sylvester and members of the Joint Standing Committee on Labor, and Housing, good morning, my name is Peter Gore. I am the Executive Vice President at the Maine State Chamber of Commerce, a statewide business association representing both large and small businesses here to speak to you in support of **L.D. 543, An Act To Provide That the Minimum Wage Increases by the Cost of Living Every 3 Years**.

The Maine State Chamber is on record supporting a proposal like that contained in L.D. 543. That indexes portion of current law that will places our wage increases on automatic pilot, a provision that began in January of this year, and resulted in a 15-cent increase in our current minimum wage. The Chamber has never supported indexing the minimum wage. The indexing of the wage *above \$12 an hour* not only took place in the face of a global pandemic – a pandemic that financially devastated many of Maine’s smallest businesses – it also took place in an environment of skyrocketing health insurance premiums, mandatory paid leave, changes to our workers comp law, and others sure to come.

The impact of a global economic event like a pandemic was an event no one could predicted. And yet as we enter in to the second year of its presence in our lives, and in our livelihoods, it is precisely the type of scenario that caused us to be continually concerned with a law that takes zero kinds of economic conditions into consideration prior to implementation. At a time when so many of our local small businesses are trying to decide if, and how they are going to survive, they must also figure in to their busines plan how to pay for mandatory paid leave, *and* higher wages. The fact remains, the impact on our small businesses by the pandemic are not going to go away, not overnight, and not in a year. It will take us years to truly recover.

Again, we recognize outright eliminate minimum wage indexing is not going to happen. However, there is another option, that contained in L. D. 543 - the legislature could amend current law to index the minimum wage every 3 years based on the 3-year average. At least this would give small businesses ample time to adjust their business plans to accommodate the mandated increase.

While this does not solve the problem of unanticipated economic events, it does slow the rapid increase in the minimum wage that so many rural businesses have struggled to keep up with. At the same time, it does create a cost-of-living adjustment for wage earners.

It is for these reasons that the Maine state Chamber is in support of L.D. 543 and urges this committee to approve the bill. Thank you.