

**Testimony of
Peter M. Gore
Executive Vice President
On Behalf of the Maine State Chamber of Commerce
In Support of L.D.1047, An Act To Create an Alternate Minimum Wage Applicable to Student
Employees Who Are under 20 Years of Age and to Employees Who Are under 18 Years of Age**

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 qualified support of **L.D. 1047, An Act To Create an Alternate Minimum Wage Applicable to Student Employees Who Are under 20 Years of Age and to Employees Who Are under 18 Years of Age**.

L.D. 1047 proposes to establish a training wage in Maine of \$9.75 an hour if they are under the age of 20 and in school or are under the age of 18 years of age. Some of you may remember that in previous sessions we opposed a training wage for workers older than 16 years. There have been several similar proposals before the legislature since the enactment at the ballot box, of Maine's current minimum wage law. While we are not sure this is the best solution, we do support some sort of training wage.

It is easy in a full employment economy, as was the case prior to March of 2020, to think that anyone who wants a job can find one. While the employment market certainly looks different since the pandemic, the fact is, as the economy begins to ramp back up and employers look to restart their businesses after the winter, business will remain hard pressed to find workers. And young, inexperienced workers will remain in high demand in some sectors of our economy. But at some point – not unlike what we have just gone through in this country and this state - unfortunately the tables will turn, and instead of more jobs than people, we will have more people than jobs. And at that point there very youth workers that the referendum was supposed to help, will wind up doing something different.

In my conversations, employers have stated repeatedly that they will not hire a 16-year-old if they must pay them \$12.15 an hour. Given a choice between an experienced worker or entry level

employee, both of whom must be paid \$12.15 an hour, who is most likely to be hired? The answer to that question is the employee who is most likely to show up for work, on time, every day, ready to work. The experience of many small and large business in this state is that youth workers are unfortunately not the most reliable – prone to no call out and no shows.

The presence of a training wage may well assist some small employers to survive, and to encourage them to re-think hiring younger workers. We think some type of temporary training wage, established at a hired level that that proposed in L.D. 1047, say greater than \$10 an hour, but less than \$11, could accomplish both purposes. It is for this reason that the Maine Chamber supports the policy direction L.D. 1047 proposes, in some form. Thank you.