



Testimony in Opposition to LD 1279: [“An Act To Increase the Minimum Wage”](#)

Senator Hickman, Representative Sylvester, and the distinguished members of the Committee on Labor and Housing, my name is Nick Murray and I serve as policy analyst for Maine Policy Institute, a nonpartisan, non-profit organization that advocates for individual liberty and economic freedom in Maine. Thank you for the opportunity to testify on LD 1279.

By continuing to raise minimum wage and salary rates for Maine employers, the state is unnecessarily inserting itself into the relationship between workers and employers. Excessive wage prohibition has already hurt many Maine businesses, and will continue to do so, especially now that it is pegged to yearly inflation.

Testimony from employers over the years to various minimum wage proposals has drawn attention to the hardship placed on small businesses, and by extension, their workers, when legislators who are not in their shoes decide they need to change their balance sheets. From closed stores like the Front Porch Cafe in Dixfield, On The Way Cafe in Turner, and the iconic Bangor Redemption Center, a staple of the city for more than 30 years, owners across the state have referenced the high minimum wage as a reason for closing up for good.

Not only does a high minimum wage hurt businesses and workers, it affects consumers as well. A study from the Institute for the Study of Labor in Bonn, Germany found that a 10% increase in the minimum wage raises food prices by up to 4%.¹ LD 1279 would raise the minimum wage more than 30% by 2025.

The state minimum wage has already grown too high to be reasonable for Maine’s rural employers and residents. In all but two counties, minimum wage is more than 50% of the median wage, where many mainstream economists peg an appropriately-crafted minimum.² In Oxford, Piscataquis, Franklin, and Lincoln counties, the state minimum wage is more than 60% of the average hourly wage.³

¹ Sara Lemos. [The Effect of the Minimum Wage on Prices](#). Institute for the Study of Labor (IZA). 2004.

² [Designing Thoughtful Minimum Wage Policy at the State and Local Levels](#) | Brookings Institution

³ [County Profiles](#) | Maine Department of Labor

Maine Average Wage by County



The reality is that we in Maine are competing in a regional, national, and global economy. Spending on the education system and infrastructure can only go so far if the regulatory climate is antagonistic to starting and growing a business. The true minimum wage is zero, not whatever number legislators place in statute.

Please deem LD 1279 “Ought Not To Pass” and spare Maine workers, consumers, and entrepreneurs the added hurdle of a higher minimum wage in the midst of a pandemic-fueled economic slump. Thank you for your time and consideration.

Nick Murray
Maine Policy Institute

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