

Follow-ups to committee questions on minimum wage bills**April 14, 2021****James Myall**

Senator Hickman, Representative Sylvester and members of the committee – please find below some information in response to questions which were raised during the public hearings on minimum wage bills on April 12, 2021. As I always, I’m happy to offer any more information and can be reached at jmyall@mecp.org

Table1: Employment status of 15 to 19 year-olds in Maine

		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Unemployment rate		21%	22%	23%	19%	16%	14%	15%	17%	14%	15%
Share of population working		34%	33%	34%	34%	33%	34%	33%	35%	38%	36%

Source: MECEP analysis of US Census Bureau, Current Population Survey, monthly data, 2011-2020, 24-month averages.

It is difficult to draw definitive conclusions about employment trends among young adults in Maine. The relatively small population makes for a substantial margin of error within the available survey data. That being said, the available data shows no increase in unemployment or decline in employment due to Maine’s minimum wage increase. If anything, the trend is in the opposite direction. Just before Maine’s minimum wage increase, in 2016, 34 percent of 15 to 19 year-olds were working. In 2019, immediately preceding the pandemic, that figure had risen to 38 percent.

According to MECEP’s analysis, one in four 15-to-17 year-olds and at least one in five 18-to-19 year-old students impacted by LD 1047 were living in poverty or near-poverty (below 200 percent of the federal poverty level). In addition, one third of 18 and 19 year-olds impacted by LD 1047 were living in dormitories, so their poverty status is not determined by the census bureau. However, many of these students are likely relying on their income to get through college and make ends meet.

Several commenters raised the question of the impact of minimum wage increases on seniors. MECEP’s analysis finds that just under 19,000 seniors (Mainers aged 65 or older) are currently working at or near minimum wage, and would be impacted by the proposals to cut the state’s minimum wage. Under LD 1279, 32,600 seniors would see an increase in wages.

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Please find attached follow-up information for the committee from the Maine Center for Economic Policy in relation to several minimum wage bills. In particular, the attached contains an analysis of youth employment in Maine relating to LD 1047, and the impact of LD 1279 on seniors.