



**RETAIL
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MAINE**
Voice of Maine Retail

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April 12, 2021

Senator Craig Hickman, Chair
Representative Michael Sylvester, Chair
Members of the Labor and Housing Committee

**RE: Testimony in SUPPORT of LD's 455, 543, 774 and 1047 – All Acts Regarding Minimum Wage
Testimony in OPPOSITION of LD 1279, An Act to Increase the Minimum Wage**

Dear Senator Hickman, Representative Sylvester and members of the Labor and Housing Committee:

My name is Curtis Picard and I am the President and CEO of the Retail Association of Maine. I am a resident of Topsham. We have more than 350 members statewide and represent retailers of all sizes. Maine's retailers employ more than 85,000 Mainers.

I will start with LD 1279, a bill that would increase Maine's minimum wage to \$16 per hour followed by annual increases. We are not aware of any state that is set to enact a \$16 minimum wage, and passage of LD 1279 would be absolutely the wrong move as Maine tries to emerge from the pandemic¹. Our tourism, hospitality, motor coach industry and live event venues are still dramatically impacted by the pandemic. How will raising the minimum wage by 25% help get these businesses back on their feet? Lastly, it is also important to mention that the impact this bill would have on LD 607, the overtime bill you will be discussing on Wednesday. If both bills pass, the overtime salary threshold will be \$72,000.

I will now turn to LD's 455 and 774. Both bills look to preempt local municipalities from enacting their own minimum wage. We think LD 774 is a cleaner, more consistent way of doing it. We would even go further and recommend that the State of Maine should occupy the field of setting wage and labor laws, and not municipalities. Having different local ordinances creates a patchwork of different laws or ordinances making it hard for employers to comply – especially those with multiple locations.

LD 543 would change the indexing of the existing minimum wage from every year to every three years. We think this is a more reasonable approach that better balances the needs of employers with the needs of employees.

Lastly, LD 1047 would establish some version of a youth training wage. We strongly support the concept, but we would suggest that LD 1047 is not the way we would recommend it. The goal of a youth wage is to enable more employers to offer opportunities to young people, specifically teenagers, to learn those critical, first-job skills. A number of states approach this issue differently, but we would recommend setting a youth wage as a percentage of the prevailing minimum wage for a specific period of time – say

¹ <https://www.ncsl.org/research/labor-and-employment/state-minimum-wage-chart.aspx>

a number of calendar days or number of hours worked. It should be focused on teenagers 16 and younger, perhaps 17 and younger, but we think 18 and older should earn the prevailing minimum wage.

Sadly, the participation rate of teenagers in our labor force is low. There are a variety of reasons for this including an ever-increasing minimum wage, and competition of other school activities like sports, theater, etc. for example. Maine's 10 year Economic Development Strategy² has set an important goal: Establishing Maine Career Exploration to help students and families to connect to Maine's economy. This program will work with students on an age-appropriate level to help them explore career opportunities that are in line with their individual area of interest. Workforce skill development will start at a young age and will grow to **100% of Maine students having an internship between their junior year of high school and one-year post high school graduation.**

We hope the committee takes the time to examine the issue of youth employment, and find a way to help our young people develop those critical first-job skills. We stand ready to work with the committee on this issue.

Thank you for the opportunity to share our thoughts.

Sincerely,

Curtis Picard, CAE
President and CEO

² https://www.maine.gov/decd/sites/maine.gov.decd/files/inline-files/DECD_120919_sm.pdf