

Good morning. Senator Hickman, Representative Sylvester, and honorable members of the Joint Standing Committee on Labor and Housing: my name is Adam Zuckerman and I am the lobbyist for the Maine People's Alliance. Our 32,000 members stretch from Kittery to Fort Kent. We are committed to creating a state of Maine where everyone has what they need, everyone contributes what they can, and no one is left behind.

Thank you for the opportunity to testify today in favor of Senate President Jackson's Act to Enhance Enforcement of Employment Laws. Employers are getting away with wage theft, discrimination and sexual harassment.

This impacts the most vulnerable workers in our state, those who can least afford to have their rights violated. The non-partisan Economic Policy Institute (EPI) conducted an in-depth study that showed that workers in the ten most populous states of our nation lost \$8 billion every year in wage theft. The average year-round worker who experienced wage theft lost \$3,300, about a quarter of their annual earnings.<sup>1</sup>

One may think, "well, it can't be that bad here in Maine." The truth is it is likely worse. That is because there are only five investigators for the entire Department of Labor Wage & Hour division. That's five investigators for over 300,000 workers, or one for every 60,000 workers. Extrapolating the multi-state data to Maine would mean that every year wage theft costs us upwards of \$61 million a year. That's in contrast with California, one of the states that EPI studied, which for the past seventeen years has had much more robust enforcement capacity because it implemented a law similar to the one we are considering today.

For the past two-and-a-half years I directed the Maine Small Business Coalition, which represents over 4,000 community-rooted small businesses across our state. I had countless conversations with small business owners. They had lots of concerns: a lack of access to child care, a lack of affordable health care, an underfunded school system that wasn't properly training young adults for the workforce, and a tilted tax code that prioritizes big box stores over mom & pop shops. I could go on and on. You know what none of them were concerned about? Too much enforcement of labor laws.

In contrast, many of them were concerned about big box stores and fast food joints that cut so many corners it made it hard for Main Street businesses to compete. That flagrant flouting of our labor laws not only hurts workers and allows the abuse to continue; it also corrodes faith in our institutions and drives a race to the bottom. When workers see regular labor violations and don't see any enforcement, they stop reporting them and bad actors only ramp up those violations. When other businesses see their competitors flaunt our laws and get away with it time and time again, they start to think "well why should I follow the rules?" That creates a race to the bottom that hurts workers and hurts the majority of small businesses that play by the rules.

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<sup>1</sup> "Employers steal billions from workers' paychecks each year." Economic Policy Institute. Cooper, David and Teresa Kroeger. 10 May 2017. <https://www.epi.org/publication/employers-steal-billions-from-workers-paychecks-each-year/>

The Maine Department of Labor (DOL) and the Maine Attorney General's office have talented, hardworking staff, but not enough resources to prosecute every lawbreaking company. That's why lawsuits by victims of wage theft or sexual harassment are an important tool to hold bad actors accountable.

This committee has the ability to help end impunity and create a level playing field for workers and small business owners who play by the rules. I urge you to vote "ought to pass." Thank you.

Adam Zuckerman  
Maine People's Alliance

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