

Testimony before the Maryland Senate Finance Committee

Senate Bill: Senate Bill 331 – “Maryland Minimum Wage Act of 2014”

Committee: Senate Finance Committee

The Honorable Thomas M. Middleton, Chair

Position: SUPPORT

Date: February 17, 2014

Steve Metalitz, Jews United for Justice and the Raise Maryland Coalition

My name is Steve Metalitz, and I am pleased to testify today express the strong support of Jews United for Justice (JUFJ) in support of Senate Bill 331, to raise the minimum wage across our state.

I grew up in Prince George’s and Montgomery counties, and have lived in District 20 for the past three decades. For years I have been an active supporter of JUFJ, a grass-roots organization to mobilize Jewish communities across the region to advance our shared values of justice and equality.

Like many people, I worked for the minimum wage while in high school, as a busboy in the Hot Shoppes restaurant in Wheaton, Maryland. But the workforce dependent on minimum wage jobs, and those who would benefit from a minimum wage increase, is far different today than it was in the 60’s or 70’s. Today, the vast majority of these workers are adults; their average age is 33. Nearly half of them have some college education. Almost a quarter of them have children – 210,000 Maryland children have a parent who would benefit from a minimum wage increase. Yet these workers, more than half of whom are employed full time, are struggling to support themselves and their families on a total income that falls far short of the poverty line. This condition should be intolerable to the people of Maryland and their elected representatives.

If Maryland’s minimum wage had even kept pace with inflation since 1967, when I was a minimum wage worker, it would be almost \$11 per hour today. If it had kept pace with the increasing productivity of Maryland workers over those decades, it would be even higher. The bill before you would close much of that gap, by gradually increasing the minimum wage to \$10.10 by 2016, and indexing it to inflation thereafter. (For the sake of the waitresses whose tables I bussed back at the Wheaton Hot Shoppes, I should also mention that the bill would also increase the minimum wage for tipped workers from 50% to 70% of the overall minimum wage.) Enacting this bill would lift thousands of Maryland families out of poverty, and thereby reduce the hidden subsidy that we Maryland taxpayers now provide to employers who pay their workers too little to keep them off public assistance programs. And raising the minimum wage would generate close to half a billion dollars in increased economic activity, as better paid minimum wage workers spend those additional dollars here in Maryland.

The Jewish tradition, like that of many other religions, calls on us to champion the concerns of the poor and the needy. In our Bible, God specifically commands us not to “abuse a needy and destitute laborer.” (Deut. 24:14.) There are far too many Marylanders who are working hard at jobs that are important to our society –preparing and serving our food, cleaning our homes and offices, caring for the

sick and the infirm – but whose wages are so low that they remain “needy and destitute.” Raising the minimum wage would be a concrete step to reduce the abuse of these workers. On behalf of JUFJ, I urge you to do so by enacting Senate Bill 331, the Maryland Minimum Wage Act of 2014.

Senate Bill: Senate Bill 331 – “Maryland Minimum Wage Act of 2014”

Committee: Senate Finance Committee

The Honorable Thomas M. Middleton, Chair

Position: SUPPORT

Date: February 17, 2014

Clinton Wolcott, Jews United for Justice and the Raise Maryland Coalition

My name is Clinton Wolcott and I am a resident of District 16 in Bethesda, Md. I am submitting this testimony as a representative of Jews United for Justice and the Raise Maryland Coalition.

As a resident of Montgomery County for the last 25 years, I have watched with dismay as the gulf between the middle and working class residents of the county has widened. The difficulty workers at the bottom of the pay scale have living a decent life has grown greater and greater. The single biggest step we can take to improve the lives of hundreds of thousands of Maryland workers would be to raise the minimum wage. According to the Economic Policy Institute (EPI), increasing the minimum wage to \$10.10 per hour would raise pay for 455,000 working Marylanders, inject approximately \$456 million into Maryland’s economy and create an estimated 1,600 jobs due to increased economic activity.

Further, the proposed legislation would index the state minimum wage to keep pace with the rising cost of living. The erosion of the minimum wage because of inflation has been significant. Raising the minimum wage to \$10.10 would bring the real minimum wage up to the same level that I was paid when I worked minimum wage jobs in the late 1960s. That minimum wage was barely enough to live on at the time. Given the growth of wealth and income since that time, it is clear that we can afford to insure that the pay of folks who are at the bottom of the pay scale is not eroded each year.

I have a niece, Michele, who is struggling to raise a family working a minimum wage job. Even with food stamps and housing assistance, she has trouble putting food on the table by the

time her next paycheck comes. She has had trouble finding new and better work because of a lack of transportation. She relies on my sister for childcare. The difficulty of her daily life has left her without the time or energy to pursue new opportunities. An increase in the minimum wage would help folks like Michele get some breathing room and live a more balanced life. It would also begin to restore some equity to a system where massive government assistance is needed to provide for workers who should be provided for by their employers.

The bill would also raise the minimum wage for tipped workers from 50 to 70 percent of the minimum wage. My son worked full time as a tipped worker for two years and provided many stories of his friends in the service industry who were living on the edge, barely able to get by. This is critical as employers currently are obligated to pay tipped workers only \$3.63 per hour. We know from examples such as Charmington's Café in Baltimore that a restaurant can pay the full minimum wage and still be profitable. Please resist the claims of restaurant owners that this increase is unreasonable and threatens their businesses. They are wrong.

The Jewish tradition teaches that we have a duty to "speak up, judge righteously, champion the poor and the needy (Proverbs 31:9)." The scholar Maimonides wrote in the Mishneh Torah, a compendium of Jewish law, that we have an obligation not only to feed the hungry but also to help those in need become self-sufficient. In Montgomery County, where I reside, a single adult earning the minimum wage must work 36 hours a week to afford housing alone, and must work 73 hours a week in order to afford all of the basic necessities of life. Clearly the minimum wage in Maryland is not high enough to meet the basic needs of our fellow Maryland residents.

You have the power to help change this reality for hundreds of thousands of Marylanders. I urge a favorable report for this critically important legislation.

Senate Bill: Senate Bill 331 – "Maryland Minimum Wage Act of 2014"

Committee: Senate Finance Committee

The Honorable Senator Thomas M. Middleton , Chair

Position: SUPPORT

Date: February 17, 2014

Michael Rubin, Jews United for Justice and the Raise Maryland Coalition

My name is Michael Rubin, a resident of District 19 in Silver Spring, MD, and I offer my written testimony as a representative of Jews United for Justice and the Raise Maryland Coalition. But more importantly, I speak for the 455,000 Marylanders who will be positively impacted by passage of Senate Bill 331 and I urge you to issue a favorable report for this bill. Many of these low wage workers cannot be here to testify in person due to work, inadequate transportation to Annapolis or lack of childcare. I and others before you today will humbly try to speak on their behalf.

In the past I have worked in low-wage jobs for over 10 years of my career, primarily providing support to adults with developmental disabilities. I know the challenges faced by those earning the minimum wage as I have stood in their shoes. Currently I am a self-employed nonprofit and IT consultant and am privileged to have the resources to provide testimony. But many of my brother and sister citizens in low-wage jobs can't be here today and earn poverty wages for full-time employment, often receiving governmental assistance to make ends meet. Such government assistance is in reality a subsidy to low wage employers that allows them to pay exploitative wages. This must stop.

Senate Bill 331 will positively benefit these working families in Maryland and provide a needed stimulus to the Maryland economy. According to the Economic Policy Institute (EPI), increasing the minimum wage to \$10.10 per hour would raise pay for 455,000 working Marylanders, inject approximately \$456 million into Maryland's economy, and create an estimated 1,600 jobs due to increased economic activity.

Senate Bill 331 creates a three-step phase-in to increase the minimum wage to \$10.10 per hour by July 1, 2016. If the minimum wage had been indexed to inflation over the last 40 years it would be well over \$10.10 per hour today. Do not compromise on \$10.10. It is truly as low as we should go. The legislation also indexes the state minimum wage to keep pace with the rising cost of living, ensuring that the minimum wage does not lose value over time. Indexing is a necessary component of this bill and should not be compromised.

The bill also increases the tipped minimum wage from 50 percent to 70 percent of the regular minimum wage. This is critical as employers currently are obligated to pay tipped workers only \$3.63 per hour. We know from examples such as Charmington's in Baltimore that a restaurant can pay the full minimum wage and still be profitable. Please resist the claims of restaurant owners that this increase is unreasonable and threatens their businesses. They are wrong. I strongly support all three core provisions and believe they are essential to a meaningful increase in the minimum wage.

The Jewish tradition teaches that we have a duty to "speak up, judge righteously, champion the poor and the needy (Proverbs 31:9)." The scholar Maimonides wrote in the Mishneh Torah, a compendium of

Jewish law, that we have an obligation not only to feed the hungry but also to help those in need become self-sufficient. In Montgomery County, where I reside, a single adult earning the minimum wage must work 36 hours a week to afford housing alone, and must work 73 hours a week in order to afford all of the basic necessities of life. Clearly the minimum wage in Maryland is not high enough to meet the basic needs of our fellow Maryland residents.

You have the power to help change this reality for hundreds of thousands of Marylanders. I urge a favorable report for this critically important legislation.

Senate Bill: **Senate Bill 331 – “Maryland Minimum Wage Act of 2014”**

Committee: Senate Finance Committee

 The Honorable Thomas M. Middleton, Chair

Position: **SUPPORT**

Date: February 13, 2014

Harvey Reiter, Jews United for Justice and the Raise Maryland Coalition

My name is Harvey Reiter and I am a long time resident of Maryland District 15. I am also a board member of Jews United for Justice and I appear today to testify in enthusiastic support of Senate Bill 331.

It is a tenet of the Jewish faith, as of most religions, to champion the poor and the needy. Under the current minimum wage even the full time working poor remain, not just poor, but needy in the most concrete ways. The scholar Maimonides wrote in the Mishneh Torah, a compendium of Jewish law, that we have an obligation not only to feed the hungry but also to help those in need become self-sufficient. We are called to do this “in order to strengthen his hand until he need no longer be dependent upon others.” I live in Montgomery County, where, to make ends meet without public or private assistance, a single parent with two children would need to earn \$36.90 per hour. Of course, not all counties have the same cost of living, but a single parent with two children living in Allegany County, where the cost of living is significantly lower, would still need to earn \$16.78 to be self-sufficient. A full time employee earning the minimum wage and supporting a family anywhere in Maryland falls below the poverty line and is often dependent, despite holding a full time job, both upon government assistance programs even food stamps and private philanthropy.

It is not hard to see why this problem exists. Maryland's current minimum wage of \$7.25 per hour has 30% less purchasing power than the 1968 minimum wage. And this is not a problem affecting only those on the lowest rung of the economic ladder. Despite substantial increases in worker productivity over the last few decades, the average worker's purchasing power has remained stagnant or declined. Raising the minimum wage serves as a partial means to rectify that inequity.

The proposal to raise the minimum wage to \$10.10, to increase the minimum tipped wage, and particularly the proposal to index the minimum wage in the future to track changes in the cost of living, offer critical protections to a vulnerable, and significant segment of our workforce. By one estimate, nearly half a million Marylanders now make only the minimum wage. And we're not just talking about teenagers entering the workforce. Eighty five percent of minimum wage earners are over twenty years old, nearly half have at least some college education and a quarter of all minimum wage earners are parents struggling to support families.

Someone holding a full time job should not have to rely on public or private assistance simply to afford shelter and food. This assistance is, in effect, subsidizing the wages that corporations ought to be paying their employees. Putting more money in the pockets of minimum wage workers will itself likely have a positive effect on economic growth as workers with more to spend will surely spend more. On behalf of JUFJ I urge you to support SB 331.