



TESTIMONY ON BEHALF OF RAISING THE MINIMUM WAGE IN PENNSYLVANIA

February 16, 2021

Dear Representative Rabb:

Thank you for the opportunity to allow the American Sustainable Business Council (ASBC) to outline its support before the Pennsylvania House Commerce Committee for raising the minimum wage in the Keystone State.

ASBC is a growing coalition of business organizations and companies advancing market solutions and public policies that support a vibrant, just and sustainable economy. ASBC and the organizations that have joined in this partnership represent over 250,000 including those in Pennsylvania, covering the gamut of local and state chambers of commerce, microenterprise, social enterprise, green and sustainable business groups, local living economy groups, women business leaders, economic development organizations and investor and business incubators

ASBC has long advocated for a higher minimum wage at the federal level as well as in front of numerous state Legislatures because the evidence demonstrates that a higher minimum wage makes good business sense. With far less buying power than it had four decades ago, today's minimum wage means poverty for working families, and weakens consumer demand at the heart of our economy. It puts money in the hands of Pennsylvanians who will put it right back into local businesses, buying needed goods and services. Research shows that minimum wage increases boost consumer spending substantially more than tax cuts do. And increasing minimum wage reduces the strain on our social safety net caused by inadequate wages.

Decent wages at the bottom benefit businesses beyond boosting consumer demand. Businesses see cost savings from lower employee turnover, and reduced expenses associated with hiring and training new employees. Higher wages increase productivity and improve product quality, customer satisfaction and company reputation.

Raising the minimum wage will not increase unemployment. The first federal minimum wage was enacted during the Great Depression to lift wages to alleviate poverty and increase the consumer purchasing power needed for job creation and economic recovery. Minimum wage increases play the same role today.

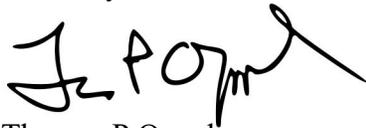
The most rigorous studies of the impact of actual minimum wage increases show they do not cause job loss – whether during periods of economic growth or during recessions.

In fact, a Department of Labor study found that 13 states that raised their minimum wage on January 1, 2014, actually added jobs at a faster rate than the 37 states that did not. Similarly, three states with relatively higher minimum wage laws – California, Massachusetts and Washington – rank first, second and third by US News for best business environment.

A minimum wage increase is overdue. The last time the federal minimum wage was raised was in 2009, but given increases in the cost of living, its real value now has slipped back to where it was in 1998. At the same time, every one of Pennsylvania's neighboring states has a higher minimum wage – from West Virginia at \$8.75 to New York at \$12.50 – putting Pennsylvania employers, especially close to state borders, at a competitive disadvantage in seeking the best employees. In fact, Pennsylvania is one of only 14 states with minimum wages at the current federal level, compared to 29 states and the District of Columbia, which exceed the federal level.

As business owners, investors and executives, ASBC supports increasing Pennsylvania's minimum wage. It just makes good sense for Pennsylvania businesses, its economy and the state as a whole.

Sincerely,

A handwritten signature in black ink, appearing to read 'T. P. Oppel', with a stylized flourish extending from the end.

Thomas P Oppel
Executive Vice President
American Sustainable Business Council