

## **Minimum Wage Increased to \$15 – big step toward addressing poverty in our County**

The Montgomery County Council unanimously passed Bill 28-17, which would raise the minimum wage in the County to \$15 an hour. Councilmember Elrich is the lead sponsor of Bill 28-17.

Councilmember Elrich said, “This is huge. What we have done today is express our commitment to raising the wage to \$15 for all workers in this county. People who work deserve to earn a decent wage. This bill will help them earn enough to put a roof over their heads, feed their families and not have to choose between food on the table and medical visits. It also includes indexing for inflation, which is essential to ensuring that wages increase at the same rate as our cost of living.

“I taught in a high-poverty school in Montgomery County for 17 years, and I saw up close the effects of poverty. I watched poor children come to school hungry and unable to focus on learning. Poor children live in homes where their parents are highly stressed about how they will be able to continue to afford rent and other basic necessities of life. That stress has an enormous impact on the children, and those impacts have lasting effects. When parents are worrying about keeping a roof over their heads, it is impossible for a child not to feel their parents’ uncertainty.”

The bill as passed would raise the minimum wage to \$15 in 2021 for businesses with more than 50 employees, in 2023 for businesses with 11-50 employees, and in 2024 for businesses with 10 or fewer employees.

Councilmember Elrich said, “Economic insecurity is not just an adult problem – it is a family problem. Studies show the link between stress and negative health impacts – in both adults and children. Studies also link stress and depression and poverty and depression, and we all know that depression can impair decision making. Raising the minimum wage can help address these issues and is thus good for families and schools. It is also good for neighborhoods and the economy; when poor families have more money to spend, they will spend it at local businesses.

“While our County is one of the wealthiest in the country, we have too many people living in poverty despite working long hours. More than one-third of our residents are renters, and many of them are using half of their income just to put a roof over their heads. We have a responsibility to ameliorate that situation, and this bill brings an enormous improvement for many.

“I understand the concerns expressed by some that raising the wage will harm small businesses and certain other organizations. Numerous studies have looked into the effects of local minimum wage increases and found that they raise wages without negatively impacting employment; however, we listened and attempted to address concerns by providing slower phase-ins for mid-sized and small businesses, non-profits, and home and community based health care providers heavily dependent on Medicaid funding. The bill also allows a pause in the increases if local economic conditions warrant it.

“I want to thank all of my colleagues for working together to find a bill that we could support. This bill begins a year later than I would have preferred for large businesses, but we now have a clear path to \$15 for all our workers. And because this bill includes indexing for inflation, we will not repeat the national mistake of letting the minimum wage lose value over time.

When President Franklin Roosevelt put forward the original minimum wage, it was explicitly intended to meet basic needs. If the minimum wage nationally had been tied to inflation from the beginning, we could have prevented much of this. With this legislation, we are recoupling wages to the original purpose of the minimum wage and correcting a historic injustice.

“I think this is one of the most important pieces of legislation that we have passed in my time on the County Council. By raising the minimum wage, we are asking ‘what it does it take to live in America and how do make sure that everybody is safe and secure and able to raise their kids?’ Whether a person is flipping burgers, cleaning bathrooms, emptying garbage or doing any other work, with this legislation, we are honoring work and family.”

In response to questions about county workers, Councilmember Elrich noted that the lowest-paid workers already earn the County’s living wage, which is about \$14.50. That wage goes up every year with inflation; if inflation were 2%, those workers would be above \$15 in 2019, two years before the bill takes effect.

Councilmember Elrich has written previously about the minimum wage effort here:

<https://marylandmatters.org/2017/09/06/2835/>

Here’s information Councilmember Elrich wrote regarding votes and statements when the legislation was before the Health and Human Services Committee in October. A similar piece was published on the Seventh State blog.

<http://www.montgomerycountymd.gov/Elrich/Resources/Files/pdf/MEcommentsHHSactionforwebsite.pdf>

More information about Bill 28-17 and amendments proposed by Councilmembers Elrich and Hucker that were enacted by the Council can be viewed at:

Council Staff report

[http://montgomerycountymd.granicus.com/MetaViewer.php?view\\_id=169&event\\_id=7211&meta\\_id=145372](http://montgomerycountymd.granicus.com/MetaViewer.php?view_id=169&event_id=7211&meta_id=145372)

Elrich’s amendment

<http://www.montgomerycountymd.gov/COUNCIL/Resources/Files/HomePageDocuments/ElrichAmendment.pdf>

Hucker’s amendment

<http://www.montgomerycountymd.gov/COUNCIL/Resources/Files/HomePageDocuments/HuckerAmendments.pdf>

This table explains the phase-in of the minimum wage and the indexing for inflation after the wage hits \$15:

<http://www.montgomerycountymd.gov/COUNCIL/Resources/Files/HomePageDocuments/MinimumWageRateTable11-7-17.pdf>