



## **CB 82 – Minimum Wage Requirements**

**Position: Support**

**November 15, 2021**

On behalf of the Association of Community Services (ACS) and our over 150 member organizations and community advocates, I urge you to vote in favor of CB 82, which accelerates the State-required minimum wage increases, and requires annual minimum wage increases and for the Council to meet to regularly evaluate the minimum wage. Within our [advocacy priorities](#), ACS supports efforts for everyone to have living wages to have a truly just standard of living in Howard County.

You will see in our [Self-Sufficiency Indicators Report](#) that it takes approximately \$75,000 per year, which is about \$36.06 per hour, for families to be self-sufficient and financially stable in Howard County. The [MD Center on Economic Policy's](#) (MDCEP) data reveals that a single adult who is not parenting needs to earn at least \$22.28 per hour, or around \$46,342 per year, in order to meet living wage requirements in the County. We fully recognize that the legislation's required minimum wage increases are not synonymous with the living wage needs *and* we support CB 82 because it is a step towards reaching living wages for each employee in Howard County.

In addition to wages being a matter of equity and social justice, wage requirements directly impact the nonprofit sector as both service providers and employers. So many people are working, and their wages are not high enough to take care of all of the necessities of life. For example, nearly 1 out of every 4 renter households in Howard County pay more than 50% of their income on rent, which does not leave much money for food, medicine, clothing, etc., because wages have not kept up with our cost of living. Nonprofits then see and face the direct impacts of low wages on the people we serve on a daily basis as we enroll people in benefits (e.g., SNAP, Medicaid, WIC, TCA) and provide emergency needs for food, clothing, housing, etc. Too often, nonprofit employees have such low wages that many also qualify for the very same benefits and services we provide for the clients we serve. We've got to work together to improve the lives of the clients we serve and people who work in nonprofits.

In truth, even as we support living wages, we must also recognize that increasing minimum wage requirements challenges nonprofits as employers. It is a struggle to pay living wages on nonprofits' budgets – particularly for small nonprofits. We face challenges in paying higher wages due to a variety of reasons, including but not limited to: government-determined reimbursement rates for services being too low, grants and contracts with insufficient funding for the staffing required, and being required to operate under the presumption of scarcity. Our nonprofit workforce deserves wages that truly values the work we do. It will not help ease the staffing shortages and turnover we are facing when certified, licensed, and credentialed employees can earn more money in various for-profit entities doing less stressful work. Staffing shortages lead to decreased services and potentially closing our doors, which means our whole community loses out.

I would be remiss if I did not also mention the need for benefits (e.g., health insurance, retirement, life insurance) in the nonprofit sector since benefits and wages go hand in hand. With greater support for increasing the wage requirements, such as utilizing American Rescue Plan Act money to provide support



for nonprofits to increase wages for employees, we also need to begin to address the deficit in benefits for nonprofit employees and the people we serve who earn minimum wage. One example from an ACS member that does offer benefits illuminates this challenge. Winter Growth presently offers health insurance to any employee who works over 30 hours per week, and low wage workers can have health insurance for \$90/month premium with a \$1,500 annual deductible. As an employer, Winter Growth's pays an additional \$3.68/hour (or \$7,644 per year) per full-time employee to ensure access to health insurance. Without support for the minimum wage increases, they would face a real challenge around increasing wages and potentially offering less generous benefits. I am sure that many in the for-profit sector can relate to this difficulty.

While there are real concerns around the impacts of increasing minimum wage requirements to reach a living wage on employers, we wholeheartedly believe that we can work together to problem-solve around these challenges to meet the demands of justice and equity. Everyone benefits when we all earn enough to meet our needs. When we take steps to reach a living wage, we can shape a future where we will no longer have approximately 1 out of every 4 HCPSS students receiving Free and Reduced Priced Meals because their families will have enough money to cover their food expenses, for example, and people who work in Howard County can afford to live here too. We stand to lose more if we do not act now.

To reference the MDCEP again, this legislation will directly impact 40,000 people in Howard County, totaling a \$43 million increase in wages by 2026. 30% of working women, 33% of Black workers, 51% of Latinx workers, 25% of Asian and Pacific Islander workers, and 75% of workers in low-income families will benefit. Wage increases can draw more people into the labor market and since people with lower wages usually spend money on necessities, we stand to see a boost our local economy. The bottom line is that we can expand opportunities for people to earn living wages, keep our nonprofits and businesses open, and have a robust economy because it is not a zero-sum game.

Other counties have shown that they do not collapse when requiring increased wages coupled with government support for meeting those increases. Let's do that here in Howard County too so we can truly have a high quality of life for all residents. Now is the time to act. With that, we urge you to vote favorably for CB 82 and commit to the additional advocacy and action that helps us all rise.

Thank you,

*Joan Driessen*

Joan Driessen  
Executive Director