



**Representative Kent Smith
8th House District**

HB 86 Testimony

Economic Development, Commerce and Labor Committee

State Representative Kent Smith, 8th District – December 4, 2018

Chairman Young, Vice Chair Riedel, Ranking Member Lepore - Hagan and members of the Economic Development, Commerce and Labor Committee. Thank you very much for providing us an opportunity to explain why the Ohio minimum wage needs to be raised.

I greatly appreciate the opportunity to provide sponsor testimony in support of HB 86. Under House Bill 86, the Ohio minimum wage would rise from \$8.30 per hour to \$10.10 per hour, while tipped employees would be paid no less than half the new minimum wage. This legislation would also direct the Director of Commerce to annually adjust the wage based upon the inflation rate.

Raising Ohio's minimum wage would provide a much needed assist to working Ohioans who are struggling to make ends meet. Over 1 million Ohioans would get a raise and that increase in household income would result in approximately \$2 billion dollars being circulated throughout Ohio's economy.

Of those getting a raise: 56% are women; 86% are age 21 or older; 82% work more than 20 hours a week and 47% work fulltime. Yet the statistic that I believe is most compelling regarding HB 486 is that 23 percent of Ohio children would see one of their parents get a raise if Ohio's minimum wage is increased to \$10.10 an hour.

I would submit to the committee that Ohio does not have a jobs problem it has a wages problem. The recovery of the Great Recession in Ohio lags the nation in virtually every category. While people are back on the job, they are earning less than before. In fact, since 2003, Ohio has been below average in median household income.

This legislation would help grow Ohio's economy by putting more money in the hands of those Ohioans who are most likely to reuse those dollars in the commercial sector therefore maximizing the ripple effect of this economic policy.

Increasing Ohio's minimum wage to \$10.10 an hour could lessen the dependency on government programs. For example, it is estimated that 88,580 Ohioans would no longer need food stamps. That alone could save the state \$153.9 million dollars.

Not only would raising the minimum wage reduce government dependency, it would grow jobs. According to 2014 data from the US Bureau of Labor Statistics, the 13 states that boosted their minimum wage had higher job growth than the 37 states that didn't do so.

It is also well established fact that the public supports raising the minimum wage. According to a Pew Research Center report from January 2014, 73% of people favor raising the federal minimum wage to \$10.10. This past month, voters in Missouri and Arkansas approved November ballot measures to raise their respective minimum wages.

Currently, 25 states have a higher minimum wage than Ohio.

In addition, research suggests that raising the Ohio minimum wage would even cause a reduction in infant mortality.

I believe HB 86 is good for Ohio's economy, Ohio families and the state budget. I would urge favorable consideration of this bill and I would be happy to answer any questions at this time.