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**Senate Workforce and Higher Education Committee
Senate Bill 51 Sponsor Testimony
Increase State Minimum Wage
March 10, 2021**

Chairman Johnson, Vice Chairman Cirino, and members of the Senate Workforce and Higher Education Committee, thank you for the opportunity to give sponsor testimony on Senate Bill 51, legislation to revamp Ohio's minimum wage standards.

Currently, Ohio's minimum wage is \$8.80 per hour. For tipped workers, the current minimum wage is \$4.40 per hour. As a result of an amendment to the Ohio Constitution passed in 2006, our minimum wage increases every January relative to the previous year's inflation rate. If the current inflation rate of 1.7% continues, the minimum wage will be \$8.95 per hour in 2022. If this trend continues long term, it will take 31 more years before Ohioans making minimum wage can earn \$15 or more an hour. Ohio's minimum wage was worth \$12 in 1968. Since then, it has lost a third of its buying power. This is simply unacceptable and far too slow a rate of increase.

Senate Bill 51 sets a higher minimum wage rate while retaining the constitutionally mandated recalculation requirement. The bill would increase the state minimum wage to \$12 per hour beginning January 1, 2022. It would then require an annual \$1 increase until 2025, when the minimum wage will be \$15 an hour. Additionally, Senate Bill 51 would allow tipped employees to be paid at least half of the basic state minimum wage rate so long as the employer provides proof that wages and tips paid to employees meet or exceed the minimum wage. Under our proposal, the minimum wage for tipped employees increases to \$7.50 per hour by 2025.

Raising the minimum wage not only benefits hourly workers; it benefits Ohio businesses by injecting millions of dollars back into our local economies. While businesses of all sizes have seen numerous tax cuts in the past decade, wage growth is still quite slow. Recently, several large companies in Ohio, like Cleveland Clinic, Amazon, and Fifth Third Bank have raised the

minimum wage they pay their workers. This is promising, but we cannot rely on businesses to implement a piecemeal approach; it leaves behind too many of Ohio's workers. We need a statewide approach to lift all of our citizens and provide them with a living wage.

A \$15 minimum wage would go a long way to reduce poverty and income inequality while increasing economic security for Ohio families. More than 1.5 million Ohioans live in poverty, and of those, 14% have incomes below the poverty line of \$24,860 for a family of four. The members of those families often work multiple jobs. Yet, they are still stuck in poverty. An artificially low minimum wage has kept too many Ohioans trapped in a cycle of poverty: taking on another minimum wage job, unable to move up, while losing buying power. Raising the minimum wage to \$15 by 2025 would give 2 million Ohioans a raise that is long overdue while allowing people to lift themselves out of poverty.

Raising the minimum wage will also help close the racial pay gap. According to Policy Matters Ohio, our state has one of the worst race wage gaps in the United States. Across the country, Black and Latino Americans are paid 10-15 percent less than their white counterparts. More than a quarter of Latino and about one-third of Black Americans workers would receive a wage increase if the federal minimum wage was raised to \$15 an hour. A fourth of the individuals who would benefit from this increase would be Black or Latina women. When the minimum wage was increased in the 1960s, the earning gap between Black and white Americans decreased by one-fifth. Conversely, when Congress failed to lift the minimum wage in 1979, it caused inequality in women's wages to increase.

The disparities we see in income and, ultimately, quality of life are distressing but preventable. According to the [Economic Policy Institute](#), there is growing research that proves that raising the minimum wage will reduce smoking, obesity, suicide and teen birth rates as well as alcohol-related traffic deaths while increasing the average birth weight.

We do not want to fall behind on ensuring that our minimum wage workers are earning comparable wages to the rest of the country. As of January 1, 2021, 25 [states](#) and Washington, D.C., have a higher minimum wage than Ohio. Currently, only Washington, D.C. has a minimum wage that is \$15. Of the 26 states with higher minimum wages, 21 are above \$10 an hour.

By raising the minimum wage, we are not just giving folks a few extra bucks each paycheck. We are recognizing the dignity of their work, whether they are a line cook on the east side or a janitor in a downtown high rise. By adopting Senate Bill 51, we could begin to reverse

some of the historic inequities we see, not only in Franklin and Hamilton counties, but also in communities across Ohio. It is time to raise the minimum wage.

Thank you for allowing us to testify on this critical bill. We will now take any questions the committee or the chair may have regarding this proposal.