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**Senate Workforce and Higher Education Committee
Senate Bill 146 Sponsor Testimony
Increase State Minimum Wage
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Chairman Cirino, Vice Chairman Rulli, Ranking Member Ingram, and members of the Senate Workforce and Higher Education Committee, thank you for the opportunity for Senator Smith and me to give sponsor testimony on Senate Bill 146, legislation to revamp Ohio's minimum wage standards.

Currently, Ohio's minimum wage is \$10.10 per hour. For tipped workers, the current minimum wage is \$5.05 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. Last time I gave sponsor testimony for this bill in March of 2021, I said that if the then-current inflation rate of 1.7% continued, the minimum wage would have been \$8.95 per hour in 2022. Instead, inflation was much higher than that, and the minimum wage ended up being \$9.30. Inflation was high again in 2022, which means our minimum wage today is \$10.10.

I also said two years ago that it will take decades before Ohioans making minimum wage can earn \$15 or more an hour. Perhaps inflation will make that happen sooner, but we must remember that while inflation increases Ohio's minimum wage, it also increases the cost of all the things Ohioans need. The real issue is that the minimum wage will continue to be out of step with what Ohioans need to earn to support themselves and their families. For example, 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 146 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, 2024. It would then require an annual \$1 increase until 2027, when the minimum wage will be \$15 an hour.

Raising the minimum wage not only benefits hourly workers; it benefits Ohio businesses by injecting millions of dollars back into our local economies. Businesses of all sizes have found this to be true, with many offering hourly wages of \$15 an hour or better. This is promising, but we cannot rely on businesses to implement a piecemeal approach; it leaves behind too many of Ohio's workers who are stuck with the minimum wage of \$10.10. We need a statewide approach to raise up the floor and lift all of our citizens by providing 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 one and a half million Ohioans live in poverty, which means 13% of Ohioans have incomes below the poverty line of \$30,000 for a family of four. The members of those families often work multiple jobs and 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. A family of four living at the poverty level on one income would have to make \$14.42 an hour across a standard workweek. Raising the minimum wage to \$15 by 2027 would give over a 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.

Ohioans need a living wage. The first time we all heard of a movement to raise the minimum wage to \$15 an hour was back in 2012. If we adjust \$15 in 2012 dollars for inflation, that is equal to \$20 today. That is why this legislation raises the minimum wage over the next several years up to \$15 to give all Ohioans a chance to support themselves in the near term while this Legislature works to find a more permanent solution.

Thank you, and I will turn it over to Senator Smith.