

Columbus Office
77 S. High Street
10th Floor
Columbus, OH 43215
614.466.5786



Committees
Finance
State & Local Government

**State Representative
Brigid Kelly**

Chair Stein, Vice Chair Johnson, Ranking Member Lepore-Hagan, and members of the House Commerce and Labor Committee, thank you for the opportunity to provide sponsor testimony on House Bill 69, legislation to modernize Ohio's minimum wage.

The promise of America is that it is supposed to be the land of opportunity, where if you work hard, you can succeed, and you can get ahead. The bad news is that too many people in Ohio know it doesn't matter how hard they work. Their families still live, and often struggle, paycheck to paycheck. In fact, if median hourly compensation had grown at the same rate as productivity over the 1979-2019 period, the median worker would be making \$9.00 more per hour.¹

The good news is this is a problem that can be solved. It doesn't have to be this way. Profits and productivity can continue to go up, but wages should, too. By modernizing our minimum wage, more people can earn the opportunity for a better life.

A constitutional amendment passed in 2006 stated that Ohio's minimum wage shall increase on January 1 of each year by the rate of inflation. This January, the minimum wage will increase to \$10.10 per hour (\$5.05 for tipped employees).² House Bill 69 will gradually phase in a \$15 minimum wage by 2027, lifting pay for millions of workers and reversing decades of growing pay inequality. As written, the bill would have increased minimum pay to \$10 beginning on January 1, 2022, and increased yearly by \$1.00 an hour until 2027, when it reaches \$15 per hour.

In 2020, voters in Florida passed a ballot initiative to raise that state's minimum wage to \$15 per hour by 2026.³ Our legislation is based on this model and has a longer timeline, not reaching \$15 until 2027, because Ohio's minimum wage increases take place in January. According to its ballot initiative, Florida increases occur in September.

Similarly, voters in Nebraska passed a ballot initiative this year, raising their state minimum wage to \$15 per hour by January 1, 2026.⁴

Raising pay is good for families and good for communities. According to a 2021 report from Policy Matters Ohio⁵ (Fairer pay will boost Ohio: A case for a \$15 minimum wage), "Raising the wage to \$15 by 2026 would benefit about 1.6 million workers, putting an average of more than \$3,125 in their pockets each year and generating nearly \$4.9 billion in new wages in Ohio." While this report assumes an increase to \$15 by 2026, based on the Florida initiative, the bottom line is that when people have more money in their pockets, they spend it. And they spend it in businesses in communities across Ohio.

Raising pay also helps improve racial equality. The Policy Matters report⁶ notes that, "the majority of workers who would benefit from raising the minimum wage to \$15 are white (70.5%), but people of color are overrepresented among Ohio's lowest-paid workers and so are relatively more likely to benefit. Among Black workers, 44.2% would get a pay

¹ <https://www.epi.org/blog/growing-inequalities-reflecting-growing-employer-power-have-generated-a-productivity-pay-gap-since-1979-productivity-has-grown-3-5-times-as-much-as-pay-for-the-typical-worker/>

² <https://com.ohio.gov/static/documents/2023MWPPoster.pdf>

³ https://initiativepetitions.elections.myflorida.com/InitiativeForms/Fulltext/Fulltext_1801_EN.pdf

⁴ <https://sos.nebraska.gov/sites/sos.nebraska.gov/files/doc/elections/Petitions/2022/Nebraska%20Minimum%20Wage%20Initiative.pdf>

⁵ <https://www.policymattersohio.org/files/research/mw15.pdf>

⁶ <https://www.policymattersohio.org/research-policy/fair-economy/work-wages/minimum-wage/fairer-pay-will-boost-ohio>

31st House District:

Amberley - Avondale - Clifton - Columbia Twp. - Corryville - CUF - East Walnut Hills - Evanston
Hyde Park - Madisonville - Mt. Auburn - Northside - Norwood - Oakley - Silverton - St. Bernard - Walnut Hills

Printed in house.

increase. For Latinx workers, that figure is 45.3%. For Asian and other workers, 25.5% would get a pay increase. White people benefiting from a minimum wage increase comprise 25.7% of all white workers. Among workers of other races and ethnicities, 43.3% would benefit.”

Moreover, in Ohio, the annual household income needed to afford a two-bedroom rental home at HUD's Fair Market Rent is \$35,468.⁷ So, with a 2022 minimum wage of \$9.30 per hour, presuming that a minimum wage worker has 40 hours per week (a big presumption), that worker makes \$19,344 per year, or almost \$16,000 less than what it takes to be able to afford a rental property like this (before food, utilities, transportation, or any other regular expenses).

Legislation to raise the minimum wage to \$15 has been introduced in, at least, the 132nd, 133rd, and now 134th General Assemblies. We heard the concerns of colleagues and made a longer runway for the increases. But the longer we wait to act, the less impactful this action will be. In the meantime, too many families will continue to struggle to make ends meet or be forced to rely on assistance. Four of Ohio’s 10 most common occupations (fast food workers, home health aides, cashier, salesperson), employing about 452,900 Ohioans, paid so little that a worker with a family of three would need food aid to feed their families.⁸

Successful businesses--large and small--have shown that good wages are good business. Showing up to work every day and working hard to contribute to your company’s bottom line shouldn’t mean you have to rely on food stamps or cash assistance just to get by. It shouldn’t mean you have to choose between rent and reliable transportation, or between packing lunch and keeping your lights on. And raising the minimum wage means less turnover, longer careers, and lower poverty rates. We also heard the concerns of colleagues about how this could impact jobs and businesses, but according to the Policy Matters report⁹:

“Most of the research on minimum wage increases finds negligible or no impact on employment levels. Wolfson and Belman looked at 37 studies conducted over 15 years and concluded that raising the minimum wage did not have a substantial impact on U.S. employment. A study of 138 minimum wage increases from 1979 to 2016 found no overall change in the number of jobs as employment just below the new minimum wage dropped and was offset by an equal-sized increase just above the new minimum, with no change in employment of higher paid workers. The findings suggest that employers are complying with the law and raising wages but not adjusting employment. The same study also found no evidence of employment effects in the restaurant industry or among teens — two groups heavily impacted by the minimum wage — but some evidence of reduced employment in manufacturing. That effect could square with the overall finding of no change in employment if the mix of occupations changed.”

We can’t afford to stay stuck in the past with poverty-wage jobs that don’t let Ohioans live up to their full potential. Ohio’s minimum wage needs an overhaul to meet the demands of today’s new economy.

As home health care worker Chaundra Kidd of Cleveland said similar legislation was introduced in the 132nd General Assembly: "This is about paying my bills, this is about taking care of my family, this is about the dignity for the work that I do.”

The is the single biggest thing, the most transformative thing, we can do for people and families in our state is to give them a raise.

We are happy to answer your questions.

⁷ <https://nlihc.org/housing-needs-by-state/ohio>

⁸ <https://www.policymattersohio.org/research-policy/fair-economy/work-wages/still-working-for-too-little-in-ohio>

⁹ <https://www.policymattersohio.org/files/research/mw15.pdf>