

Senate Commerce Committee

Aaron Jones 271-2609

SB 176-FN, relative to the state minimum hourly rate.

Hearing Date: February 18, 2025

Time Opened: 10:22 a.m.

Time Closed: 11:00 a.m.

Members of the Committee Present: Senators Innis, Ricciardi, Murphy, McGough, Fenton and Reardon

Members of the Committee Absent : None

Bill Analysis: This bill provides for increases in the minimum hourly rate.

Sponsors:

Sen. Altschiller

Sen. Fenton

Sen. Perkins Kwoka

Sen. Watters

Sen. Long

Sen. Rosenwald

Rep. Muns

Rep. Luneau

Rep. Simpson

Rep. Schultz

Rep. Knab

Who supports the bill: 387 individuals were in support. Full sign in sheets are available upon request by contacting the Legislative Aide, Aaron Jones (aaron.jones@gc.nh.gov).

Who opposes the bill: Natch Greyes (BIA), John Reynolds (NFIB-NH), Mike Somers (NHLRA), Julie Smith, Simon Berrio, Bradley Louth, Tom Luther, Curtis Howland, Sylvie Stewart, K. Sheffert, James Gardner, Daniel Richardson, Alicia Angove, Carol Petruszewicz, Russell Hodgkins, Sarah Dengler, Ray Chadwick, Nancy Louth, Drew Cline (Josiah Bartlett Center for Public Policy), Cindy Spencer, Greg Moore (Americans for Prosperity NH)

Who is neutral on the bill: Alison Milioto (BlueLion)

Summary of testimony presented in support:

Senator Debra Altschiller

- This bill would raise the minimum wage to \$12 an hour on September 1, 2025, then it would be raised to \$15 an hour on July 1, 2026.
- On September 1, 1997, the federal minimum wage was \$5.15 an hour. In 2008, it was raised to \$6.55 an hour, and it was capped at \$7.25 an hour in 2009.
- The cost of housing for a two-bedroom apartment has risen dramatically. Other necessities, such as food, transportation, and healthcare, also require higher wages to help provide basic economic security.

- Higher wages benefit the local economy and workforce retention, increase consumer spending, reduce reliance on public assistance, and reduce business training and hiring expenses.
- Senator Altschiller said the gradual implementation would allow businesses to adapt over time.
- Neighboring states have higher minimum wages, which has created competitive pressure. The minimum wage in Massachusetts is \$15 an hour, \$14.65 an hour in Maine, and \$14.01 an hour in Vermont.
- Senator Altschiller said New Hampshire risked being a regional outlier.
- Cross-border employment competition affects border communities and makes it more challenging to retain younger workers. Senator Altschiller said a higher wage would reduce the exodus of individuals to other states.
- The argument against raising the minimum wage has been that consumers would be impacted if there were smaller profit margins and higher labor costs; however, Senator Altschiller wondered how small businesses across the border stayed functioning.
- Basic needs are downshifted to social services, which Senator Altschiller said is not the New Hampshire way.
- **Senator Ricciardi** said market forces are an efficient way of setting wage rates, and she did not know anyone receiving minimum wage. Recently, she saw a business in the mall food court offering \$20 an hour.
- **Senator Fenton** said other states seemed to be doing fine. He asked if this was a predatory business practice because employees cannot fight for their own wages.
 - **Senator Altschiller** said they know that to be true. Deferring to market forces, which are profit driven, does not benefit the lowest paid workers in their communities. This was the reason the minimum wage was established at the federal level. It is the practice of some business owners to look for labor as cheaply as they can. If an individual in her community is paid \$12 an hour, and they are unable to get to the same job that pays \$15 an hour due to transportation issues, that was an unfair practice. There are larger grocery or retail stores, such as the Walmart Distribution Center, who pay vastly different wages. She hoped to raise the minimum wage for the lowest paid workers, so they can start a little bit ahead.
- **Senator Murphy** said as an employer, his lowest paid employee is a 16-year-old who is paid \$16.50 an hour to wash dishes. In all the years he has heard this bill, he has been waiting to meet someone who makes the minimum wage who is not a tipped employee or in an internship. He asked if Senator Altschiller had brought someone in that condition.
 - **Senator Altschiller** replied that she did not personally bring someone. She said if he was willing to pay above the minimum, it should not be a big leap to have other employers meet him where he is. She challenged business owners, who are not in favor of this bill, to look towards his business to see that it could be done in New Hampshire.

David Trumble

- If an individual worked 60 hours a week, and they made \$7.25 an hour, they would only make \$22,000 a year.
- 23 states have recently raised their minimum wage. For example, 58 percent of voters in Missouri voted to increase their minimum wage to \$13.75 an hour and \$15 an hour the next year.
- There are thousands of workers who make between \$7.25 and \$15 an hour, and they would be affected by this bill.
- If the minimum wage were raised in New Hampshire, a study by Oxfam America found 130,000 workers would benefit from it. This would include 20 percent of women who earn less than \$17 an hour. Women are essential to the economy, and they compose a majority of the childcare and eldercare workforce.
- According to the New Hampshire Food Bank, 10 percent of residents, including 13 percent of children, are facing food insecurity. That was a 43 percent increase over the previous year.
- Researchers from the University of California and the Georgia Institute of Technology found a 6.6 percent increase in the minimum wage, which is equal to 50 cents, would increase the calories purchased by 3 percent in households who are most in need.
- Mr. Trumble said this bill would bring up the whole bottom of the wage, not just workers who are making \$7.25 an hour.
- Mr. Trumble said the government is always impacting the economy, and the interest and dividends tax was just eliminated to help the richest in the state.
- From January 2021 to May 2023, the Center for American Progress found that states with a minimum wage higher than the federal rate had 38 percent industry wide growth compared to 19 percent for states who paid the minimum wage.
- When individuals make money, they spend it in their local communities, which helps to spur more development.

Rev. Gail Kinney, Pastor, New Hampshire Conference United Church of Christ

- When New Hampshire statutorily removed the minimum wage, Reverend Kinney said the Church went on record to implore the Legislature to reinstate it and bring it as close to a living wage as possible.
- The minimum wage was not intended as a training wage for children or the newest employees. From its inception, it was intended to be a basic wage that was needed for people to survive, thrive, and possibly help their children.
- This bill would not affect every employer who pays more than the minimum wage.
- Reverend Kinney said the market worked most of the time, but the purpose of this bill was to issue a moral statement that the state was correcting the market.
- Approximately 5,000 employees earn \$7.25 an hour. Reverend Kinney believed these were primarily tipped employees who were working in their local diners during a mid-week shift.

- 10,000 individuals, primarily women and people over the age of 20, make less than \$12 an hour. For these individuals, Reverend Kinney said the market was not working and they were living in poverty.

Claudia Istel, Member of the Economic Justice Ministry, United Church of Christ

- Ms. Istel said every worker deserved respect, and a living wage that could provide basic needs, such as food, clothing, communication, medical care, and education.
- Minimum wage was established in 1938 with the expressed purpose of being a living wage that allowed workers to support their families.
- When Ms. Istel was a high school teacher, she knew teenagers who worked after school to pay for their own school supplies or extracurricular activities. For some teenagers, their families relied on them to help pay rent or the electric bill.
- A lot of low wage workers are not just teenagers living at home, they are adults who have dependents.
- Currently, the federal poverty level for an individual is \$15,650. If an individual earned \$7.25 an hour, and they worked 40 hours for 52 weeks, they would earn less than the federal poverty level. For two people, this would be true if they earned \$10 an hour.
- In 2024, the MIT Living Wage Calculator set the living wage for a single person at \$19 an hour in Coos County and \$26 an hour in Rockingham County. Regardless of where an individual lived in New Hampshire, Ms. Istel said the living wage was between 2.5 to 3.5 times the minimum wage.
- This bill would increase the minimum wage to \$15 an hour over 2 years. In 2026, Ms. Istel said \$15 an hour would be less of a living wage than it is now.
- 61,000 Granite Staters, or about 10 percent of the workforce, earn less than \$15 an hour.
- Ms. Istel said there is an economic divide between individuals who can and cannot make it.
- Some larger companies rely on their workers receiving public assistance, so Ms. Istel said taxpayers were subsidizing businesses.
- **Senator Fenton** said every state around New Hampshire has a higher minimum wage, and their world is not burning. They are assuming every employee can advocate for a higher wage. If that were true, New Hampshire would not have the highest rate of homelessness. He asked if Ms. Istel saw individuals, such as teenagers, negotiating for a higher salary.
 - **Ms. Istel** said she was retired, so she did not see it happening right now. Years ago, she testified on a bill because she was concerned about high schoolers who were working for grocery stores with an agreement that they would not work beyond 10 hours a week or past 7:00PM. Since they were young and inexperienced, they would often work 15 to 20 hours a week as well as close some nights. Even as an experienced adult, she said she would not have the courage to speak up. Some children are trying to bring in money for their family, and they do not know how to advocate for themselves. The Department of Labor frequently received questions from

parents on the labor laws because they were concerned their children were being taken advantage of.

Summary of testimony presented in opposition:

Neutral Information Presented:

Alison Milioto, Cofounder, BlueLion

- While the other New England states are paying above the minimum wage, they have a state income tax. Ms. Milioto said \$15 an hour in Massachusetts would not be the same in New Hampshire.
- New Hampshire has a competitive labor market with an unemployment rate of 2.6 percent. In contrast, it is 3.2 percent in Maine, 4.1 percent in Massachusetts, and 2.4 percent in Vermont.
- Ms. Milioto said taking a blanket approach that wages must support a family is not true. There are many workers looking for a job, so they can have “fun money.”
- If the minimum wage were raised for some positions, specifically those that are not intended to support a family, costs are going to increase. For example, increasing the wages of childcare employees will increase the cost of childcare.
- Ms. Milioto asked the Committee to take into consideration the trickle effect.
- While this bill might be part of a solution, Ms. Milioto said it was not the solution to all of the problems being faced.
- **Senator Fenton** said it was a dangerous assumption to say that teenagers are looking for money for beer and pizza.
 - **Ms. Milioto** said some are, but she appreciated there were children who were putting food on the table.
- **Senator Fenton** said there are many young individuals working to help support their families and they do not have an advocate to ask about salary ranges or taxation. He said he wanted to be careful when they are talking about who does or does not benefit from this bill.
 - **Ms. Milioto** replied that she agreed. As an employer, however, this was not the employee she would market to. There are positions available that are meant to support a family. To require an individual who has lower margins to have a position to support a family would not always work.
- **Senator Ricciardi** asked if first-time young workers would be impacted if the minimum wage were raised because there would be more automation or technology use.
 - **Ms. Milioto** said she did not think there would be an increase in automation. There are already self-check outs, but she did not see fully automated McDonald’s coming to New Hampshire. It would increase the number of individuals looking for jobs. If the starting wage were \$16 an hour, and it was intended for high schoolers who wanted extra money, it would become more competitive for employees.