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Testimony of Jeff McLynch, Director, Massachusetts Coalition for Adult Education before the Joint Committee on Labor and Workforce Development in support of the Act to Improve the Commonwealth's Economy with a Strong Minimum Wage and a Strong Tipped Minimum Wage (H. 2365 / S. 1004) submitted for the record, September 19, 2017

On behalf of thousands of adult educators and students across the Commonwealth, the Massachusetts Coalition for Adult Education (MCAE) respectfully urges the Joint Committee to report favorably the Act to Improve the Commonwealth's Economy. In MCAE's view, gradually raising Massachusetts' minimum wage to \$15 per hour and putting tipped employees on more level footing with other workers will greatly enhance not only the quality of life for thousands of adult learners and their families but also the current and future economic prospects of the Commonwealth as a whole.

By way of background, MCAE is a statewide membership organization that champions the right of all adults to acquire 21st century literacy, English language, and numeracy skills, for those skills, in turn, lead to strong families, vibrant communities, and broadly shared economic prosperity. MCAE's member and partner organizations serve roughly 19,000 students in cities and towns throughout the Commonwealth.ⁱ Adult basic education services include literacy instruction from non-reader to intermediate level, math, preparation for high school equivalency, ESOL, and citizenship classes. These services are delivered by a diverse array of entities, including community-based organizations, local educational agencies, higher education institutions, correctional institutions, businesses, and labor unions.

One of the values that MCAE, as an organization, seeks to promote – and one of the values that we as Americans and as Bay Staters hold most dear – is the value of work. Though not every student that Massachusetts' adult education programs serve is currently employed, many have chosen to enroll because they understand that improvements in their basic skills are central to finding and keeping a job. Of course, one of the natural outgrowths of placing such a high value on work is the belief that, if someone works for a living, he or she should be able to make ends meet.

Unfortunately, for many in Massachusetts, that simply isn't the case. Despite the substantial efforts the Commonwealth has made in recent years to bolster the earnings of low-wage workers, its minimum wage still falls short of what families need to secure basic necessities. For instance, according to research by the nonpartisan Economic Policy Institute, two parents raising their daughter in Melrose, for instance, require an income of more than \$77,000 per year to be able pay for housing, food, health and child care, and other essentials.ⁱⁱ Full-time work at the minimum wage provides less than two-thirds of that amount.

This very situation is faced by many of the adults who come into the classrooms of MCAE's members each day. Indeed, in 2015, the median earnings for Massachusetts adults without a high school credential was just \$23,412.ⁱⁱⁱ Again, adult learners, by definition, are taking the steps necessary to move toward greater economic security, but they and their families should not be consigned to poverty while that journey continues. Raising the minimum wage to \$15 per hour would dramatically ease many of the financial difficulties they now face.

In fact, recent research suggests that prior minimum wage increases have shown to be an effective means of offering low-wage workers a hand up and of combatting growing economic inequality. As the Massachusetts Budget and Policy Center (MassBudget) has recently documented, the typical household in the bottom fifth of the income distribution in Massachusetts has seen its income decline in real terms over the last 25 years, while the most well-off 1 percent of households have experienced an increase of over 4 percent. This disparity likely would have been far greater in the absence of prior minimum wage increases, since, as MassBudget notes, "the only times Massachusetts's lowest-paid workers have seen wage increases have been after an increase in the state minimum wage."^{iv}

Of course, the benefits of a higher minimum wage would not be limited solely to those workers paid at the current minimum wage or near the proposed \$15 per hour rate. Rather, the benefits of a higher minimum wage would accrue throughout the Massachusetts economy.

Out of necessity, low-wage workers spend every dollar that they earn – and do so in the communities in which they and their families live. The higher incomes that they would realize from a boost in the minimum wage would be spent not on vacations to Europe or the Caribbean, but at the Shaw's or Cumberland Farms down the street. As the Economic Policy Institute recently concluded in its assessment of a \$15 per hour federal minimum wage, "this injection of wages would help stimulate the economy and spur greater business activity and job growth."^v

In submitting the original Fair Labor Standards Act to Congress in 1937, President Franklin D. Roosevelt argued that:

Our nation so richly endowed with natural resources and with a capable and industrious population should be able to devise ways and means of insuring to all our able-bodied working men and women a fair day's pay for a fair day's work. A self-supporting and self-respecting democracy can plead no justification for the existence of child labor, no economic reason for chiseling workers' wages or stretching workers' hours.^{vi}

Our nation – and our Commonwealth – remain richly endowed, yet wages for many – especially those with comparatively lower levels of education – have stagnated in recent decades. Please report the Act to Improve the Commonwealth's Economy favorably to ensure that hard-working men and women once again receive a fair day's pay for a fair day's work.

I greatly appreciate the opportunity to submit this testimony for the record. Should you have any questions about it or the work of MCAE generally, I would be happy to try to answer them. I may be reached at either 617-482-6223 or jeffmclynch@mcae.net.

ⁱ US Department of Education, Office of Career, Technical, and Adult Education (OCTAE) National Reporting System; available via <https://wdcrobcolp01.ed.gov/CFAPPS/OVAE/NRS/tables/view.cfm?state=MA&year=2015&tableID=3>

ⁱⁱ Economic Policy Institute, *Family Budget Calculator*; available via <http://www.epi.org/resources/budget/>

ⁱⁱⁱ 2011-2015 American Community Survey 5 Year Estimates; available via https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_15_5YR_S1501&prodType=table

^{iv} Massachusetts Budget and Policy Center, *State of Working Massachusetts 2017*, September 4, 2017, p. 3-5; available via <http://massbudget.org/reports/pdf/MassBudget%20State%20of%20Working%20MA%202017.pdf>

^v Economic Policy Institute, "Why America Needs a \$15 Minimum Wage," April 26, 2017; available via <http://www.epi.org/publication/why-america-needs-a-15-minimum-wage/>

^{vi} Franklin D. Roosevelt: "Message to Congress on Establishing Minimum Wages and Maximum Hours," May 24, 1937. Online by Gerhard Peters and John T. Woolley, *The American Presidency Project*; <http://www.presidency.ucsb.edu/ws/?pid=15405>