



Help us put a Competing Measure to Increase the Minimum Wage on the Ballot in November

If you have been following the events of the past few days, you know that the Maine Legislature will soon consider a citizen-initiated referendum question to raise Maine's minimum wage. The Maine State Chamber of Commerce – with the Maine Restaurant Association, Maine Innkeepers Association, the Retail Association of Maine, and a growing coalition of Maine's leading business organizations – believe it is time for an increase in the state's minimum wage, but not the one proposed by the Maine People's Alliance (MPA).

Instead, our coalition has proposed a more reasonable and sustainable alternative, which would be in the form of a competing measure. The proposal would call for a significant, yet sustainable, increase in the minimum wage in Maine – **up from the current \$7.50/hour to \$10.00/hour** – starting in 2017 and phased in during a four-year period:

- Beginning on January 1, 2017, to \$8.50 an hour;
- Beginning on January 1, 2018, to \$9.00 an hour;
- Beginning on January 1, 2019, to \$9.50 an hour; and,
- Beginning on January 1, 2020, to \$10.00 an hour.

Unlike the MPA proposal, ours would not include indexing based on the Consumer Price Index (CPI) and would preserve the current "tip credit" that is vitally important to Maine's restaurant and tourism industry and the thousands of Maine people who work in this sector of our economy.

We are content to let the people decide which solution would be best for Maine businesses and Maine people, but first we need to convince legislators to allow it on the ballot.

This is a sincere and real proposal from our coalition to help Mainers, who are hard-working, proud people, and deserving of a raise that is sustainable for the Maine economy. Ultimately, doing so is good for the workforce, good for Maine families, and good for businesses.

Our coalition is committed to promoting the passage of our competing measure at the ballot box, because we know doing so will allow a reasonable wage increase in this state without putting small restaurants out of business, and will preserve current jobs, and promote the hiring of new workers.

I know we have called on you to reach out to your local legislators over the past two weeks, and we have made significant headway. But time is of the essence. Please take a moment and call or email your representative or senator and ask them to give Maine people a better choice – one that will give Maine workers a raise, but won't put their jobs or the future of their workplace at risk. Ask them to support putting the business coalition's minimum wage competing measure on the ballot when the question comes before them!

Coalition members include (as of Feb. 26, 2016) the Retail Association of Maine, the Maine State Chamber of Commerce, the Maine Restaurant Association, the Maine Innkeepers Association, the Lewiston Auburn Metropolitan Chamber of Commerce, the Maine Energy Marketers Association, the Maine Grocers and Food Producers Association, the Maine Insurance Agents Association, the Maine Tourism Association, the Manufacturers Association of Maine, the Portland Regional Chamber of Commerce, the SkiMaine Association, the Mid-Maine Chamber of Commerce, the Bangor Region Chamber of Commerce, and the Bangor Convention and Visitors Bureau.

Frequently Asked Questions

What is Maine's current minimum wage, and when was the last time it was increased?

- The current minimum wage rate in Maine is \$7.50, which went into effect on October 1, 2009.
- After a year-long deliberation process, which included economists, non profits, businesses, and government representatives, the Portland City Council passed an ordinance where \$10.10 would be the minimum wage beginning January 1, 2016.

Why did the coalition choose \$10 as the proposed minimum wage for Maine?

- Creating a new minimum wage of \$10.00/hour is sustainable for Maine's economy and avoids the anticipated consequences of crossing that threshold.
- According to the Institute for Research on Labor and Employment at the University of California, if minimum wages are raised to no more than 60 percent of median wages, the net economic benefit is largely positive to both workers and business owners. Based on this model, Maine would be able to sustain a minimum wage of \$9.77/hour with Maine's current median hourly wage is \$16.29. The proposal supported by Maine's business community goes beyond that and brings the state closer in line with the recent minimum wage increase in Portland.

Why a competing measure and isn't this a significant departure from past voter initiated referendums?

- Our coalition supports a meaningful increase in the minimum wage and wants to ensure that increase is sustainable for the long term. As such, we are working with the Legislature to present Maine voters with a minimum wage increase that that benefits the workforce and grows Maine's economy. Referendum options like this have been added by the Maine Legislature throughout the 1990s, and as recently as 2003.
- Elections are about choice, and this gives voters an opportunity to choose a solution, instead of choosing defeat.

What is the "tip credit" and why is replacing it with a "tipped wage" harmful to Maine's restaurant and tourism industry?

- Eliminating the "tip credit" will dramatically increase the cost of doing business for restaurants, and others involved in Maine's tourism industry, by establishing a new "tipped wage" at \$5 per hour the first year and increasing each year by one dollar until the minimum wage and the tipped wage become one in the same at approximately \$13.50 per hour.
- In a state with a vibrant tourism and entertainment industry where tips are a significant source of income, replacing the tip credit with a tipped wage equal to the full minimum wage could result in a net loss of wages for workers who often earn substantially more than a minimum wage from tips or a loss of jobs due to increased costs for employers.