



January 24, 2022

To: The Honorable Brian T. Taniguchi, Chair,
The Honorable Les Ihara, Jr. Vice Chair, and
Members of the Senate Committee on Labor, Culture and the Arts

Date: Monday, January 24, 2022

Time: 3:00 p.m.

Place: Conference Room 225, State Capitol & Videoconference

From: Anne Perreira-Eustaquio, Director
Department of Labor and Industrial Relations (DLIR)

Re: S.B. 2018 RELATING TO MINIMUM WAGE

I. OVERVIEW OF PROPOSED LEGISLATION

SB2018 proposes to amend Chapter 387-2, Hawaii Revised Statutes (HRS), by increasing the minimum wage rate from \$10.10 to \$12.00 per hour beginning on October 1, 2022; \$15.00 per hour beginning January 1, 2024; and \$18.00 per hour beginning January 1, 2026.

The DLIR supports increasing the minimum wage rate.

II. CURRENT LAW

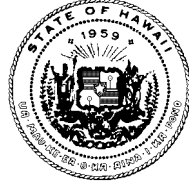
The current minimum wage rate is \$10.10 per hour. Act 82, Session Laws of Hawaii 2014, incrementally increased the minimum wage from \$7.25 to \$10.10 an hour over the course of four consecutive years (2015-2018).

III. COMMENTS ON THE SENATE BILL

The purpose of the minimum wage law pursuant to the Fair Labor Standards Act of 1938 was to stabilize the post-depression economy and protect the, "health, efficiency, and general well-being of workers..."

Currently, twenty-two states and the District of Columbia currently have minimum wage rates higher than Hawaii.

DAVID Y. IGE
GOVERNOR



CATHY BETTS
DIRECTOR

JOSEPH CAMPOS II
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

P. O. Box 339
Honolulu, Hawaii 96809-0339

January 23, 2022

TO: The Honorable Senator Brian T. Taniguchi, Chair
Senate Committee on Labor, Culture and the Arts

FROM: Cathy Betts, Director

SUBJECT: **SB 2018 – RELATING TO MINIMUM WAGE**

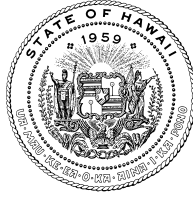
Hearing: Monday January 24, 2022, 3:00 p.m.
Conference Room 225 & Videoconference

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports the measure and provides comments.

PURPOSE: The purpose of the bill is to increase the minimum wage for certain employees incrementally to \$12.00 per hour beginning 10/1/2022, \$15.00 per hour beginning 1/1/2024, and \$18.00 per hour beginning 1/1/26.

DHS appreciates the Legislature's efforts to improve the lives and economic stability of working families in Hawaii. However, please note that increases in the state minimum wage will likely impact eligibility for our assistance and benefit programs that are means-tested. To minimize the adverse impact an increase in wages would have on current public benefit recipients, DHS requests the Legislature consider adjusting the first effective date to **January 1, 2023**. DHS will need adequate time to make the necessary rule and system changes to accommodate the wage increases.

Thank you for the opportunity to provide comments on this measure.



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

Testimony of
David Y. Ige
Governor, State of Hawai'i

Before the
SENATE COMMITTEE ON LABOR, CULTURE AND THE ARTS
Monday, January 22, 2022
3:00 P.M.

In consideration of
SENATE BILL 2018
RELATING TO MINIMUM WAGE

Chair Taniguchi, Vice Chair Ihara, and Committee Members:

I **support** this measure.

It has been a priority of my administration to create a Hawai'i that gives all our children the choice to live here and call Hawai'i home. One of the challenges we face is the disconnect between wages and cost of living.

About two years ago, I ordered a minimum wage of \$15 per hour for State government employees, except for interns and seasonal temporary hires.

During the COVID-19 pandemic, we have been focusing on protecting the health and wellbeing of the People of Hawai'i. Through the actions of my administration, the legislature, and the community, we are now in a place to again focus on this important issue. Twenty-five states are raising their minimum wage this year, and I hope that we can be the 26th to support our working individuals and families, especially with our improved economic outlook.

Thank you for your consideration.

Council Chair
Alice L. Lee

Vice-Chair
Keani N.W. Rawlins-Fernandez

Presiding Officer Pro Tempore
Tasha Kama

Councilmembers
Gabe Johnson
Kelly Takaya King
Michael J. Molina
Tamara Paltin
Shane M. Sinenci
Yuki Lei K. Sugimura



Director of Council Services
Traci N. T. Fujita, Esq.

Deputy Director of Council Services
David M. Raatz, Jr., Esq.

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

January 23, 2022

TO: Honorable Brian T. Taniguchi, Chair
Senate Committee on Labor, Culture and the Arts

FROM: Alice L. Lee
Council Chair 

DATE: January 23, 2022

SUBJECT: **SUPPORT OF SB 2018, RELATING TO MINIMUM WAGE**

Thank you for the opportunity to testify in **SUPPORT** of this important measure. The purpose of this measure is to increase the hourly minimum wage for certain employees incrementally to \$12 on October 1, 2022, \$15 on January 1, 2024, and \$18 on January 1, 2026.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I **SUPPORT** this measure for the following reasons:

1. It is in the interest of all Hawai'i to support Hawai'i's workforce and essential workers by increasing the minimum wage.
2. Increasing the State's minimum wage will help Hawai'i's economy by giving workers greater purchasing power in the local marketplace.
3. According to the Department of Business, Economic Development, and Tourism, a single adult required an income of \$35,143 to achieve self-sufficiency in Hawai'i in 2018, while a single parent with one child required \$59,428. Yet, at the minimum wage of \$10.10 per hour, a full-time employee earns only \$21,008 annually.

For the foregoing reasons, I **SUPPORT** this measure.

Rebecca Like
Acting Prosecuting Attorney

Jennifer S. Winn
Acting First Deputy

Leon J. C. Davenport, III
Acting Second Deputy



Diana Gausepohl-White
Victim/Witness Program Director

Theresa Koki
Life's Choices Kaua'i Program
Prevention Services Coordinator

OFFICE OF THE PROSECUTING ATTORNEY

County of Kaua'i, State of Hawai'i

3990 Ka'ana Street, Suite 210, Līhu'e, Hawai'i 96766
808-241-1888 ~ FAX 808-241-1758
Victim/Witness Program 808-241-1898 or 800-668-5734

January 23, 2022

RE: S.B. 2018; RELATING TO MINIMUM WAGE

Chair Taniguchi, Vice-Chair Ihara and members of the Senate Committee on Labor, Culture and the Arts, the Office of the Prosecuting Attorney of the County of Kauai ("OPA") submits the following testimony in support of S.B. 2018.

This bill increases the minimum wage incrementally to \$18 in 2026. Paying a living wage is a public safety issue. Increasing the minimum wage reduces poverty. The current minimum wage has not kept up with inflation and is not high enough to allow people to afford housing and other necessities.

Increasing the minimum wage decreases the burden on public assistance programs, decreases individuals' contact with the criminal justice system and provides families with options and opportunities.

Increasing the minimum wage is also a step towards addressing systemic racism. It would help reduce racial and gender inequalities in employment. It would also raise the incomes of individuals who currently make slightly above minimum wage, creating a ripple effect.

For these reasons, the Office of the Prosecuting Attorney of the County of Kauai supports the passage of S.B. 2018. Thank you for the opportunity to testify on this matter.

SB-2018

Submitted on: 1/21/2022 5:52:53 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Alison Tanaka	Testifying for Tanaka of Tokyo	Oppose	No

Comments:

I am writing in opposition of SB2018 to increase minimum wage to \$18.00 by 2026. I work with Tanaka of Tokyo restaurants, which employs close to 200 employees in the state of Hawaii and has been serving international and local guests for the past 43 years. Please understand that if this bill is passed, many businesses like ours will be forced to increase their prices (in turn affecting the tourism industry as well as local families, who will no longer be able to afford to support local businesses), cut their labor (either by cutting hours or laying off workers), or even be forced to close their doors. The cost of operating a business in Hawaii is already so high and on top of that, the Covid-19 pandemic has DEVASTATED so many local businesses. Please understand what a negative impact this bill will have on many establishments and the economy here in Hawaii. Thank you for your consideration.

SB-2018

Submitted on: 1/21/2022 6:31:33 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Hiroshi Lamansky	Testifying for Tanaka of Tokyo Restaurants	Oppose	No

Comments:

Prior to the Covid-19 Pandemic, Tanaka of Tokyo operated three restaurants in Honolulu and employed over 200 employees. We have served local families and visitors from around the world since 1978. The pandemic forced us to close through the majority of 2020. Although we were able to open our restaurants in 2021, we continue to operate at a significant loss. The effects of the pandemic are still negatively impacting the restaurant industry, especially without the international visitor markets that the hospitality industry and our state relies on.

While we are struggling for our survival, many restaurants have already closed permanently due to the decreased levels in business and significant increase in cost of goods. Even with the decreased levels in business, all restaurants are still unable to adequately staff the restaurants which results in even less sales.

In regards to hourly wages, the majority of employees in the restaurant industry receives tips as their primary source of income. Ninety percent of our staff falls in the category of, "tipped employees". Based on our payroll records, our servers on average earn \$30 per hour, our front hosts/hostesses and busboys earn \$18-\$20 per hour, our bartenders \$28 per hour, and our chefs \$32 per hour. As you can see from these figures, which are comparable to the majority of full service restaurants, staff who receive tips are not the same as "minimum wage" earners and cannot be categorized as such. Currently, Hawaii has a tip credit of \$0.75, by far the lowest in the nation while the majority of states allow tip credits that range between \$4.00 - \$6.00. Any increase in Hawaii's minimum wage without an equal increase to the tip credit will significantly increase labor costs to an unbearable point and eliminate any chance for restaurants to survive until the state and global economy recovers.

Full service restaurants were once one of the largest employers in Hawaii. Our industry needs the help of the state and our elected officials in understanding the detrimental impact any increase to the minimum wage will have without an equal increase to the tip credit. Businesses will be shattered and jobs will be lost which will make matters even worse. This is something our community as a whole just cannot afford.

Thank you for your time to review our concerns. If you have any questions or require any additional information, please do not hesitate to contact me at any time.

SB-2018

Submitted on: 1/21/2022 10:14:43 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Kevin	Testifying for Tanaka of Tokyo	Oppose	No

Comments:

I work at Tanaka of Tokyo Restaurant that operates three restaurants here in Honolulu Hawaii. We server local families and visitors alike and have been doing so for over 40+ years. The current COVID pandemic was something no one could have anticipated but with it brought great hardship to our local business including our local family owned restaurants like ourselves. We our restaurants were closed for nearly a year, and even after we were able to opened we are still not operating at full capacity. We have seen so many other local businesses closed over these two years due to the same hardship we are still facing now.

No boubt about it, we are struggling for our survival and bill SB2018 will be the breaking point for so many other local business. Businesses all across Hawaii are feeling the pain of increased price goods, supply chain shortages which has caused inflation for many of the products we buy. Also already short staffing is lead many employers to pay additional in overtime hours. Many of the businesses in our hospitality and restaunt industries are still hurting from the declined numbers of incoming visitors abroad.

May in our industry and here at Tanaka of Tokyo (90%) are tipped staff which receive a majority of their income in tips. Currently, Hawaii has a tip credit of \$0.75, by far the lowest in the nation while the majority of other states allow tip credits that range between \$4.00 - \$6.00. Any increase in Hawaii's minimum wage without an equal increase to the tip credit will significantly increase labor costs and inevitably eliminate any chance for restaurants to survive.

We need the help of our State and elected officials to help us in our time of need to avoid any more hardship and forclosures on our local busiensses including our hard hit restaurant industry.

Mahalo for your time and review our concerns. If you have any questions or require any additional information, please do not hesitate to contact me at any time.

Kevin

SB-2018

Submitted on: 1/22/2022 1:18:35 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Marianne	Testifying for Small business on Kauai	Oppose	No

Comments:

Aloha, we barely made it through the longest shutdown ever. So many small businesses lost forever on Kauai. PLEASE PLEASE PLEASE do not raise the minimum wage at this time. It will crush the remaining small businesses on Kauai as we are barely holding on. I take very good care of my staff. I carried their medical on for 6 months without getting any business revenue in. PLEASE DO NOT RAISE THE MINIMUM WAGE NOW!!!

SB-2018

Submitted on: 1/22/2022 6:35:42 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Sue Eldredge	Testifying for Aloha Hula Supply	Oppose	No

Comments:

As a small business owner here in Honolulu, increasing the minimum wage as outlined in this bill will ruin our business. Having barely survived the last 2 years of the pandemic, trying to get back to "normal" has been quite the challenge. Increasing rents, never ending supply chain issues, sales that are not matching increased costs and top it with your consideration of increasing minimum wage is just unbelievable!!!! Now is not the time to do this! Not to mention the amounts you are considering are not realistic to small business here in Hawaii!! We are not a large conglomerate that can afford this type of hourly wage. I live in Ewa Beach and live paycheck to paycheck ... middle class superb and employ 15 people. Our business makes a minimal profit each month after paying all the expenses. I know I am not alone in this issue!!!! This bill will very sadly cause a 24 year old business like mine to close and put all 15 employees and myself out of work! Mandating small business to this type of labor cost should not be the "answer" to the ever increasing high cost of living in Hawaii. Further taxing of small business is not the answer!!!! This will lead to more closures of all small mom and pop shops that make up the fabric of Hawaii!!! Please dismiss this bill immediately!!!!

Please feel free to contact me should you have any questions.

Sue Eldredge, Owner



1928 Republican Street Honolulu, HI 96819 Phone: (808) 845-9868 Fax: (808) 848-7848

**Testimony to the Senate Committee on Labor, Culture, and the Arts
Monday, January 24, 2022, at 3:00 P.M.**

RE: SB 2018, RELATING TO THE MINIMUM WAGE

Chair Taniguchi, Vice Chair Ihara, Jr., and Members of the Committee:

The Hawaiian Chip Company respectfully opposes SB 2018 which would raise the minimum wage for the following reasons:

- The cost of operating a business in Hawaii are very high and disproportionate to what other businesses pay elsewhere. Lowering these costs and the cost of living would be an actual solution to the problems facing our economy
- Increasing the minimum wage will cause manufacturers like the Hawaiian Chip Company hardship because costs of raw materials have escalated dramatically due to the pandemic. Competing with mainland brands of chips made in large automated facilities will become impossible.
- The ongoing labor shortage has already forced the company to increase overall wages which is causing strain on finances.
- Businesses are already struggling to survive with limited revenue due to COVID restrictions.
- High turnover in the workforce for entry level jobs is another burden businesses are struggling with. Further increasing the cost of hiring entry level employees will force businesses to eliminate these positions.

Thank you for your consideration.

SB-2018

Submitted on: 1/24/2022 8:06:23 AM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Dirk Koeppenkastrop	Testifying for IL Gelato Hawaii	Oppose	No

Comments:

Date: January  ry 22, 2022

To: Sen. Brian T. Taniguchi, Chair

Sen. Les Ihara, Vice Chair

Members of the Committee on Labor, Culture, and Arts

From: Dirk Koeppenkastrop, PhD.

Subj: SB 2018 Relating to Minimum Wage

My name Dirk Koeppenkastrop is and I am the owner of several small businesses in Hawaii. Our biggest business IL Gelato Hawaii. We have a whole sale, a catering business and four retail locations around Oahu and one in Waikiki that is already closed due to COVID. We used to employ over 75 people and due to COVID-19 are down to less than 35. We pay rent in 5 locations and suffer great losses from the shut downs and restricting regulations and lack of tourism. Our revenues are down to less than 60 to 70% from prior year and we are losing money in retail every month.

In our retail stores we hire students and entry-level employees with no skills or experience. We invest into training them. Increasing minimum wages from \$7.25 to

\$10.10 had been hurting our business already in the recent years. Rents increased, food cost increased and our profit margins are dropping year by year. Due to the high inflation, we had no other option to increase our scoop prices to \$6.50 with the result that our sales have gone down. We simply have less people buying gelato from us, as the prices are perceived to be too high.

With COVID all of Hawaii's small businesses are in jeopardy. Bill 40 has been a big blow for small restaurants and add no value to the environment. Adding more legislative stress on small businesses by increasing labor cost will be detrimental to our businesses and livelihood. It is not a good time to increase minimum wage and as it will kill a lot of small businesses and restaurants.

SMALL BUSINESSES NEED HELP AND NOT MORE CHALLENGES. GIVE SMALL BUSINESSES A BREAK FOR ONE OR TWO TEARS SO THEY CAN SURVIVE!

Thank you for your time and consideration of my concerns. Dirk Koeppenkastrop



To: Sen. Brian T. Taniguchi, Chair
Sen. Les Ihara, Vice Chair
Members of the Committee on Labor, Culture, and Arts

From: Highway Inn

Subj: SB 2018 Relating to Minimum Wage

- Highway Inn is opposed to an increase in the minimum wage because the minimum wage will flow to our *highest paid* staff who make minimum wage *plus tips*. An FTE minimum wage tipped employee makes \$50-\$70k per year, excluding benefits: PTO, Healthcare, and 401(k) match.
 - Tips represent \$25-\$35 per hour of waitstaff pay. Remember, people who earn tips come to work for tips, not for the minimum wage.
 - Our lower-paid employees earn market-rate, ranging from \$13-\$20/hour plus benefits.
 - If we paid less than market-rate we would have no employees.
 - Forcing a market-rate for labor will further impact the viability of Hawaii businesses.
- A mandated increase in minimum wage will flow straight through to increased prices to the consumer – **you** – who, when the minimum wage is at \$18, will pay e.g. another \$3-\$4 for a Pork Lau Lau as a result of this increase, other things remaining equal. The minimum wage increase will **FAIL** to achieve its policy goals at restaurants and serve only to reward the highest-paid staff, increase prices, reduce customer demand, reduce customer choice, reduce restaurant revenues, and reduce the State's tax income from restaurants. Dining out will become a luxury.
- Please understand that a Tip Credit is an effective federally designed mechanism to address the issues caused by minimum wage increases in industries where workers receive most of their income in tips. Eliminating the tip credit is a huge policy error. It is a law used in many economically thriving states for a reason. The correct response is to *increase* the Tip Credit.
- The recent Covid-19 direct stimulus payments prove that the government knows how to directly target individuals who need additional assistance to supplement their low income. Payments flowed to impacted individuals within weeks of the outset of the pandemic. The policy goal of addressing income inequality is better achieved using legislators' direct, actionable, and focused policy tools. Using private businesses as an instrument of government policy is not as effective as direct payments because businesses will also seek to mitigate its impact by substituting capital for labor. The example above highlights one undeniable consequence of why minimum wage increases do not work in our industry. Instead, they weaken the sector and drive more significant inequalities between our workers.

Mahalo for reading and we at at your disposal to explain this further.

SB-2018

Submitted on: 1/24/2022 9:51:21 AM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Neal Arakaki	Testifying for Hawaiian Candies & Nuts, Ltd.	Oppose	No

Comments:

It is understood that there needs to be an adjustment to the State's current minimum wage to better address the cost of living issues in Hawaii. However, the currently proposed increase to \$ 18.00 per hour will cause severe harm to Hawaii's small businesses. It should be clearly noted that the economic effects of Covid-19 on small business continues to be severe. Loss of income (that cannot be recovered by simply returning to the pre-Covid sales status quo) is clearly impossible for the vast majority of small businesses. Logistic and supply chain issues make it nearly impossible for small manufacturers to regain production momentum to attempt a meaningful recovery. Cost inflation on materials and other fixed costs, which are clearly already in progress, compound the difficulties to a nearly insurmountable degree.

The addition of a pronounced wage increase will force manufacturers in Hawaii to increase prices to the point where they will not be competitive with imported products within the same category. The result will be a withering degradation of "Made in Hawaii" products that are so highly touted by the State.

This testimony is submitted to you not as a glib, off the cuff remark from a disgruntled company. This is testimony based on conversations and analytical discussions of dozens of small Hawaii manufacturers on the impacts that will be caused by the increase in the minimum wage. One only needs to look at the rising cost of lease rent properties and other mandatory expenses related to fixed costs to understand the monumental stresses being placed on Hawaii's small businesses.

It's already tough for a small business in Hawaii to survive must less thrive. Rising expenses, including an increase to the minimum wage, can only lead to higher prices to the consumers which in turn add to the cycle of inflation. You must all be cognizant of the fact that one of the very bad choices that small businesses will have to make is to cut full time employees to part time in order to relieve themselves of the mandatory health insurance expense in order to meet an increase in the minimum wage. So the net result will be higher pay for employees but no health insurance coverage. The result to the employee will be a net loss in take home pay if they all have to purchase their own health insurance. Please check the cost per month for an adequate health insurance premium in this State. Obviously the increase to the minimum wage based on a 40 hour

work week will not cover the cost of the employee purchasing comparable health insurance being offered by their current employer.

Please be assured that this is not what employers want to do but if faced with a choice of surviving or failing as a business, this will be choice that will have to be made.

In closing, we humbly request that this body does not approve this increase to the minimum wage bill in its current form until such time that all of these factors are taken into consideration. The survival of small business in Hawaii is at stake.

Mahalo

Neal Arakaki, President

Hawaiian Candies & Nuts, Ltd.

SB-2018

Submitted on: 1/24/2022 10:00:53 AM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Joshua Handley	Testifying for Aloha Hula Supply	Oppose	No

Comments:

As family to small business owners here in Honolulu, increasing the minimum wage as outlined in this bill will have a detrimental impact to my family's business and others alike. Having barely survived the last 2 years of the pandemic, getting back to "normal" has been quite the challenge with increasing rents, never ending supply chain issues, and sales that are not matching increased costs. They are not large conglomerates that can afford this type of hourly wage. Your consideration for these wages is not realistic for small businesses here in Hawaii! Most small business owners are already living paycheck to paycheck. My family is not just in fear that this bill has the potential to close their business, but they are in fear that this will close their business. Mandating small business to this type of labor cost should not be the answer to the ever increasing cost of living here in Hawaii, nor should taxing of small businesses be the answer. If this bill is passed, this will most certainly lead to small businesses closing, even more than they already have over the past couple years. Please dismiss this bill immediately. Thank you for your consideration.



January 24, 2022

To: Senator Brian T. Taniguchi, Chair
Senator Les Ihara, Jr., Vice Chair
Members of the Labor, Culture & Arts Committee

Date: Monday, January 24, 2022
Time: 3:00 pm
Place: State Capitol
415 South Beretania Street
Conferene Room 225

From: Wayne Hikiji, President
Envisions Entertainment & Productions, Inc.

RE: Opposition to SB 2018 Relating to the Minimum Wage

My name is Wayne Hikiji and I am president of *Envisions Entertainment & Productions, Inc.* ("Envisions"), an event production company based in Kahului, Maui. We have been in business for 26 years. Prior to the pandemic, we employed 20 full-time employees who have been us between 16-25 years, 20-25 part-time seasonal workers, and contracted between 115-120 independent contractors annually. Because of the Pandemic, we have furloughed all but 11 of our full-time key employees and reinstated only a few part-time seasonal employees.

We oppose SB 2018 which would increase the minimum wage to \$12 per hour beginning October 1, 2022, \$15 per hour beginning January 1, 2024, and \$18 per hour beginning January 1, 2026. Such an increase under normal circumstances may arguably be reasonable and sustainable. However, we are still in the midst of this unprecedented pandemic and economic crisis, and many economists predict that our economy will take several years to recover. Consequently, without reliable scientific and economic data that projects a sustained return to normal in 2022 and beyond, the proposed minimum wage schedule would be premature and ill-advised.

Such an increase would be especially devastating to businesses like ours in the special events and tourism industries who have been literally shuttered from mid-March to December of 2020. *Envisions* experienced a 97.5% drop in revenue from April through December, 2020, and others in the live events industry have experienced similar unprecedented revenue reductions.

While there was an uptick in transpacific travel in the fall of 2021, business in 2022 is all but unpredictable, especially with the ongoing Omicron variant which has already resulted in multiple cancellations for Q1 & 2 of 2022. As such, we are seeing only a fraction of the transpacific group and wedding business we rely on annually to sustain ourselves. And while PPP provided temporary relief in 2020 and 2021, we are on our own in 2022, with no federal assistance being considered if business does not rebound in a meaningful and sustainable way.

Envisions Entertainment & Productions, Inc.

Re: SB 2018

January 24, 2022

Page 2 of 2

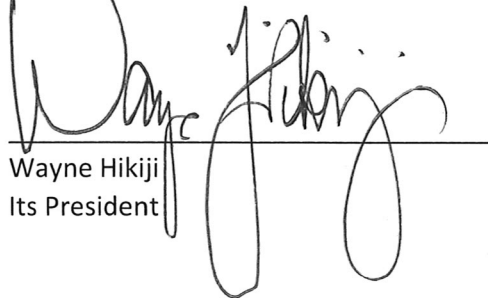
Furthermore, we cannot emphasize that such an untimely wage increase would result in *wage compression* during a time when we are trying desperately to stay afloat. *Envisions* has always paid its workers well above the minimum wage to attract those with the aptitude, work ethic, and character traits we require. Raising the minimum wage to \$12, \$15 & \$18 an hour, respectively, will force us to increase our entry-level pay as well as the wages of our long-time employees who spent years working their way up to their current wage level simply because the difference in pay would no longer be equitable. This dynamic will likely lead to widespread dissatisfaction and prove to be a “demotivating” force. This can impact productivity and lead to increased turnover, as well as decreased employee morale and potential resentment among co-workers.

And it goes without saying that the notion that we can simply raise our prices to off-set this significant cost increase is neither tenable nor sustainable. Proponents of this argument would have you believe that this added expense can be passed on to consumers by simply raising prices. In the midst of this Pandemic, this argument simply does not hold water. And for non-essential services like ours, the flawed argument of passing any increase to our consumers is even more apparent. Any price increase can quickly reach a breaking point where our client will either scale back considerably, contract a competitor who doesn't have our overhead, decide to do it themselves, or worse yet, do without. In other words, our business niche is *demand-elastic*, meaning if our prices keep going up, demand for our services will plummet, something we cannot afford as we try to recover from this pandemic.

Given the foregoing, I humbly ask that this Legislature pause any bill to increase the minimum wage until the economy recovers from this Pandemic and becomes robust enough to justify any reasonable increase.

Respectfully submitted,

ENVISIONS ENTERTAINMENT & PRODUCTIONS, INC.

A handwritten signature in black ink, appearing to read "Wayne Hikiji", is written over a horizontal line. The signature is stylized and cursive.

Wayne Hikiji
Its President



January 24, 2022

To: Senator Brian T. Taniguchi, Chair
Senator Les Ihara, Jr., Vice Chair
Members of the Labor, Culture & Arts Committee

Date: Monday, January 24, 2022
Time: 3:00 pm
Place: State Capitol
415 South Beretania Street
Conferene Room 225

From: Wayne Hikiji, President
Envisions Entertainment & Productions, Inc.

RE: Opposition to SB 2018 Relating to the Minimum Wage

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We oppose SB 2018 which would increase the minimum wage to \$12 per hour beginning October 1, 2022, \$15 per hour beginning January 1, 2024, and \$18 per hour beginning January 1, 2026. Such an increase under normal circumstances may arguably be reasonable and sustainable. However, we are still in the midst of this unprecedented pandemic and economic crisis, and many economists predict that our economy will take several years to recover. Consequently, without reliable scientific and economic data that projects a sustained return to normal in 2022 and beyond, the proposed minimum wage schedule would be premature and ill-advised.

Such an increase would be especially devastating to businesses like ours in the special events and tourism industries who have been literally shuttered from mid-March to December of 2020. *Envisions* experienced a 97.5% drop in revenue from April through December, 2020, and others in the live events industry have experienced similar unprecedented revenue reductions.

While there was an uptick in transpacific travel in the fall of 2021, business in 2022 is all but unpredictable, especially with the ongoing Omicron variant which has already resulted in multiple cancellations for Q1 & 2 of 2022. As such, we are seeing only a fraction of the transpacific group and wedding business we rely on annually to sustain ourselves. And while PPP provided temporary relief in 2020 and 2021, we are on our own in 2022, with no federal assistance being considered if business does not rebound in a meaningful and sustainable way.

Envisions Entertainment & Productions, Inc.

Re: SB 2018

January 24, 2022

Page 2 of 2

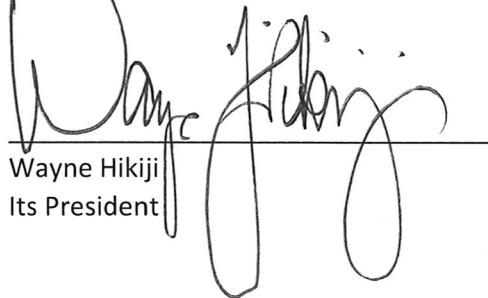
Furthermore, we cannot emphasize that such an untimely wage increase would result in *wage compression* during a time when we are trying desperately to stay afloat. *Envisions* has always paid its workers well above the minimum wage to attract those with the aptitude, work ethic, and character traits we require. Raising the minimum wage to \$12, \$15 & \$18 an hour, respectively, will force us to increase our entry-level pay as well as the wages of our long-time employees who spent years working their way up to their current wage level simply because the difference in pay would no longer be equitable. This dynamic will likely lead to widespread dissatisfaction and prove to be a “demotivating” force. This can impact productivity and lead to increased turnover, as well as decreased employee morale and potential resentment among co-workers.

And it goes without saying that the notion that we can simply raise our prices to off-set this significant cost increase is neither tenable nor sustainable. Proponents of this argument would have you believe that this added expense can be passed on to consumers by simply raising prices. In the midst of this Pandemic, this argument simply does not hold water. And for non-essential services like ours, the flawed argument of passing any increase to our consumers is even more apparent. Any price increase can quickly reach a breaking point where our client will either scale back considerably, contract a competitor who doesn't have our overhead, decide to do it themselves, or worse yet, do without. In other words, our business niche is *demand-elastic*, meaning if our prices keep going up, demand for our services will plummet, something we cannot afford as we try to recover from this pandemic.

Given the foregoing, I humbly ask that this Legislature pause any bill to increase the minimum wage until the economy recovers from this Pandemic and becomes robust enough to justify any reasonable increase.

Respectfully submitted,

ENVISIONS ENTERTAINMENT & PRODUCTIONS, INC.

A handwritten signature in black ink, appearing to read "Wayne Hikiji", is written over a horizontal line. The signature is stylized and cursive.

Wayne Hikiji
Its President

SB-2018

Submitted on: 1/21/2022 11:25:21 AM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Mike Golojuch, Sr.	Individual	Support	No

Comments:

Dear Senators, I fully support raising the minimum wage. Even though I would like to see even higher rates sooner, I am glad this bill is being heard so early in the session. Please pass this important measure for our workers in the State of Hawaii.

Although I'm submitting this as an individual, I'm a member of the Labor Caucus, Democratic Party of Hawaii, and Board Member, Rainbow Family 808.

Mike Golojuch, Sr.



**Statement of the Democratic Party of Hawai'i
In STRONG Support of SB2018, Relating to Minimum Wage**

The [Democratic Party of Hawai'i](#) **strongly supports** SB2018, Relating to Minimum Wage, to the extent that it aligns with our Party's [platform](#). The bill would increase the minimum wage for certain employees incrementally to \$12.00 per hour beginning 10/1/2022, \$15.00 per hour beginning 1/1/2024, and \$18.00 per hour beginning 1/1/26.

The Democratic Party of Hawai'i believes that the current minimum wage must be increased to a living wage. No one who works full time should have to raise a family in poverty. We strongly encourage legislation to raise the minimum wage.

By passing a robust minimum wage increase this coming session, workers throughout our economy will have a better chance to succeed here in Hawai'i. All Hawai'i workers should be able to make ends meet with one job, and it's our legislature's responsibility to make that a reality.

Raising the minimum wage for certain employees to \$12.00 per hour later this year is a step in the right direction, and raising the minimum wage to \$18.00 per hour in four years' time is an important goal.

Mahalo nui for the opportunity to provide these comments in support of this very important bill.



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Thirty-First Legislature, State of Hawaii
The Senate
Committee on Labor, Culture and the Arts

Testimony by
Hawaii Government Employees Association

January 24, 2022

S.B. 2018 – RELATING TO MINIMUM WAGE

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the purpose and intent of S.B. 2018 which increases the minimum wage incrementally to \$12 per hour in October 2022, then \$15 per hour beginning in January 2024, and culminating at \$18 per hour in January 2026. Additionally, we support indexing the minimum wage to the consumer price index for future years.

Prior to the incremental increases that began in 2015, the minimum wage had not changed since January 1, 2007, which equated to 8 years of salary stagnation for minimum wage employees. The current minimum wage is now \$10.10 per hour, yet Hawaii's high cost of living continues to significantly outpace wage increases and the COVID-19 worldwide pandemic has exacerbated this even further. Swift action must be taken to directly benefit those who need it the most – the working class, and we believe increasing the minimum wage is one of many important components that will help.

Although not contained in this specific measure, we are supportive of subsequent indexing to the Honolulu Consumer Price Index. We believe these salary increases will help spur Hawaii's economy and generate much needed consumer spending.

Thank you for the opportunity to testify in support of S.B.2018.

Respectfully submitted,

Randy Perreira
Executive Director

TESTIMONY IN SUPPORT OF SB 2018

TO: Chair Taniguchi, Vice-Chair Ihara, & Committee Members – Labor, Culture and the Arts

FROM: Trisha Kajimura
Deputy Director - Community

DATE: January 24, 2022 at 3:00 PM (CR 225 & Videoconference)

Hawai'i Health & Harm Reduction Center (HHRC) **supports** SB 2018 which increases the minimum wage for certain employees incrementally to \$18.00 per hour in 2026, requesting amendments that would eliminate the tip credit and include annual cost of living increases after 2026.

HHRC's mission is to reduce harm, promote health, create wellness, and fight stigma in Hawai'i and the Pacific. We work with many individuals who are impacted by poverty, housing instability, and other social determinants of health. Many of our program participants are unable to afford housing despite working full-time because their wages are too low to pay for their basic needs.

Hawai'i is overdue for an increase to the minimum wage. Furthermore we cannot allow the injustice of the tip credit to continue. Our service industry employees (customarily tipped workers) must be able to rely on a decent minimum wage from their employers. We also support inserting language to allow for annual adjustments to the minimum wage based on the Consumer Price Index. (See language from HB 1503) This will prevent the large gaps in minimum wage increases Hawai'i has experienced since 2003.

Thank you for the opportunity to testify on this measure.



**THE SENATE
THE THIRTY-FIRST LEGISLATURE
REGULAR SESSION OF 2022**

Committee on Labor, Culture and the Arts

Senator Brian T. Taniguchi, Chair

Senator Les Ihara, Jr., Vice Chair

Monday, January 23, 2022, 3:00PM
Conference Room 225 and Videoconference

Re: Testimony in Support of SB2018 - RELATING TO THE MINIMUM WAGE

Chair Taniguchi, Vice Chair Ihara, and Members of the Committee:

The United Public Workers, AFSCME Local 646, AFL-CIO (“UPW”) is the exclusive bargaining representative for approximately 14,000 public employees, which includes blue collar, non-supervisory employees in Bargaining Unit 1 and institutional, health, and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties. The UPW also represents 1,500 members in the private sector.

UPW **supports** SB2018, which increases the minimum wage for certain employees incrementally to \$12.00 per hour beginning on October 1, 2022, \$15.00 per hour beginning January 1, 2024, and \$18.00 per hour beginning on January 1, 2026.

Hawaii’s current minimum wage of \$10.10 per hour was last increased on January 1, 2018. Since that time, the cost of living in Hawaii has continued to rise, with wages remaining stagnant. A recently released December 2021 Department of Business, Economic Development, and Tourism (DBEDT) “Self-Sufficiency Income Standard” report, which reports the amount needed to cover basic housing, food, transportation and other costs estimated, that an annual salary of \$37,646 a year is needed for a single adult living in the State of Hawaii which equates to an hourly wage around \$18.09.

While many union workers are not in low-wage occupations, we stand with the State AFL-CIO in supporting its efforts to advocate for all of Hawaii’s workers to earn a living wage.

Thank you for the opportunity to provide testimony.

**UNITED PUBLIC WORKERS
AFSCME Local 646, AFL-CIO**





Senate Committee on Labor, Culture and the Arts

Monday, January 24, 2022, 3:00 p.m. Conference Room 225

Hawai'i Alliance for Progressive Action supports: SB 2018 with amendments

Aloha Chair Taniguchi, Vice Chair Ihara and Members of the Committee,

On behalf of the Hawai'i Alliance for Progressive Action (HAPA) I am submitting testimony in support of SB 2018 with amendments. HAPA is a state-wide organization that engages approximately 10,000 local residents annually.

Mahalo for introducing a strong minimum wage increase bill that brings the state minimum wage up to \$18 by the year 2026. After years of inaction on this issue, Hawai'i's working families are in need of a rapid and bold wage increase to keep them from slipping through the many widening cracks in our economic system. **We strongly support** passage of this bill and applaud the committee chair for introducing this measure.

We would, respectfully request two amendments to the bill, the language for which can be borrowed from the Raise Up Hawai'i bill introduced by Rep. Jeanné Kapela (HB1503):

1. Mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by DBEDT to ensure working families never again fall behind on being able to afford the basics.
2. Eliminate the tip credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage. Studies show that workers who are forced to survive off of the tips they earn are put at increased risk of sexual harassment and other forms of violence. There is no good reason hard working people should earn a sub-minimum wage based on the kind of work they do for a living.

The last time Hawai'i's minimum wage earners got a raise—to \$10.10 an hour—was January 1, 2018. They already have been stuck at that level—\$21,000 a year for full-time work—for more than 2 years. Additionally minimum wage workers in Hawai'i are losing the equivalent of over \$500 per year to inflation.

Hawai'i's current minimum wage is already lower than in all other highest cost-of-living states. And Hawai'i will be falling further behind. The next 8 most expensive states have passed laws to raise their minimum wages to at least \$15 over the next 5 years—and the cost of living in all of those states is *lower* than in Hawai'i.

In the most expensive state to live in the nation, our struggling low-wage families need bigger tax credits AND a robust boost to the minimum wage. Otherwise working-age people in Hawai'i will keep moving away to other states, where they'll be paid more and be able to afford a decent standard of living.

The Hawai'i Alliance for Progressive Action (HAPA) is a public non-profit organization under Section 501(c)(3) of the Internal Revenue Code. HAPA's mission is to catalyze community empowerment and systemic change towards valuing 'aina (environment) and people ahead of corporate profit.

Thank you for your leadership on this issue and for the opportunity to support Hawaii's workers and families. HAPA is a member of Raise Up Hawai'i.

Mahalo for your consideration,

A handwritten signature in black ink, appearing to read "Anne Frederick", is centered on a light gray rectangular background.

Anne Frederick
Executive Director



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

**HEARING BEFORE THE SENATE COMMITTEE ON
LABOR, CULTURE & THE ARTS
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 225
MONDAY, JANUARY 24, 2022 AT 3:00 P.M.**

To The Honorable Brian T. Taniguchi, Chair;
The Honorable Les Ihara, Jr., Vice Chair; and
Members of the Committee on Labor, Culture & the Arts,

COMMENTS ON SB2018 RELATING TO MINIMUM WAGE

Mahalo for the opportunity to share our comments on SB2018. It is imperative that you hear the voice of businesses on this bill. We acknowledge that there are industries who are paying more than the minimum now and that there may be room for an increase, but a minimum wage does not hit all business equally and tends to hurt smaller mom and pop operations most. We are currently surveying our members on this as \$6 is a significant jump in 4 years. While many people comment that the pandemic is being used as an excuse not to raise the minimum wage, we don't understand that rationale as we are in an unprecedented global pandemic that many thought would be over last July. However, we do appreciate the staggered approach and think any increase should be staggered.

There were good economic periods this past year, but many are still struggling to recover from the devastation in 2020 and 2021 and our economic future is still uncertain. Maui County is the most reliant county on the visitor industry, and we are currently seeing hotel capacities at 20-30% compared to 75% in January 2019, which means not only is the accommodations industry down but those connected to the accommodations industry will also be seeing lower sales in this period.

As this bill is being heard in committee early, we cannot know all the bills that may be introduced that could be harmful to businesses and increase their cost, such as expanded family leave bills, as bills can still be introduced by January 26.



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

**COMMENTS ON SB2018 RELATING TO MINIMUM WAGE
PAGE 2.**

Additionally, we don't feel the broader public fully understands: how unique Hawaii is, with businesses paying nearly the full amount of their employees' healthcare costs for those that work 20 hours or more, which is dramatically different from other states; that businesses may be hit with a significant UI rate increase in 2023; the challenges cause by wage compression; and impacts to businesses under long-term contracts. It is important for the public and government to recognize the difference between a minimum wage and living wage, as there are many ways government can bring down our living wage (starting with the development of affordable housing and rentals) and that increases in the cost of doing business get passed down to all consumers, further increasing the living wage.

We look forward to getting back to you with additional input from our members as soon as possible and working with you on solutions to create a healthy and sustainable environment for businesses and their employees.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

SB-2018

Submitted on: 1/21/2022 6:03:31 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Kathryn Braun	Individual	Support	No

Comments:

Dear Senate Committee on Labor, Culture and the Arts,

Mahalo for introducing a strong minimum wage increase bill that brings the state minimum wage up to \$18 by the year 2026. After years of inaction on this issue, Hawai'i's working families are in need of a rapid and bold wage increase to keep them from slipping through the many widening cracks in our economic system. **I strongly support** passage of this bill and applaud the committee chair for introducing this measure.

I would, however, politely request two amendments to the bill, the language for which can be borrowed from the Raise Up Hawai'i bill introduced by Rep. Jeanné Kapela (HB1503):

1. Mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by DBEDT to ensure working families never again fall behind on being able to afford the basics.
2. Eliminate the tip credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage. Studies show that workers who are forced to survive off of the tips they earn are put at increased risk of sexual harassment and other forms of violence. There is no good reason hard working people should earn a sub-minimum wage based on the kind of work they do for a living.

Mahalo for the opportunity to testify, and thank you again for your support of Hawai'i's workers and families.

Kathryn Braun

Punchbowl/Makiki

SB-2018

Submitted on: 1/21/2022 6:18:24 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Patricia Blair	Individual	Support	No

Comments:

People deserve a better wage.

SB-2018

Submitted on: 1/21/2022 6:33:47 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Daniel R Freund	Individual	Support	No

Comments:

Support with amendment.

This issue has been talked - and stalled - to death. It's time to give the working poor a raise now, and to ***amend the current bill to ensure working folks never again fall behind*** on being able to afford the basics and ***to protect tip workers from exploitation.***

- Dan Freund / 5609A Honua Rd. / Kapaa, HI 96746

SB-2018

Submitted on: 1/21/2022 7:35:59 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Colleen Rost-Banik	Individual	Support	No

Comments:

My name is Colleen Rost-Banik, and I am a lecturer within the University of Hawai'i system as well as a resident of Honolulu. I urge you to support the passage of SB2018, increasing the minimum wage for workers. I have a number of students, ranging in age from 16 (in Early College courses) to 50 who rely on minimum wage jobs and can barely afford their basic necessities. They are not alone, as there are way too many Hawai'i residents who rely on these meager wages in a state where the cost of living soars well above the national average.

Please support SB2018.

Mahalo,
Colleen Rost-Banik, Ph.D.

SB-2018

Submitted on: 1/21/2022 11:34:57 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Christy MacPherson	Individual	Support	No

Comments:

Dear Senate Committee on Labor, Culture and the Arts,

I support SB 2018 with two amendments: 1) repeal the tip credit and 2) include wage increases that are indexed according to DBEDT's annual calculations.

It is certain that Hawai'i's families need and deserve a living wage. Mahalo for your support of your hard-working, extremely underpaid constituents.



Honolulu County Republican Party

725 Kapiolani Blvd. Ste C105

Honolulu, HI 96813

To: Committee on Labor, Culture and The Arts
Senator Brian T. Taniguchi, Chair
Senator Les Ihara, Jr., Vice Chair

Date: January 24, 2022

Time: 3:00pm

Place: Conference Room 225 & Videoconference

Re: S.B. No. 2018 RELATING TO MINIMUM WAGE

As Chair of the Honolulu County Republican Party, representing tens of thousands of voting members, we **OPPOSE** increasing the minimum wage for the following reasons:

It's a jobs killer: An increase to the minimum wage threatens our already wobbly “mom ‘n pop” small businesses in Hawai‘i trying to recover and will force more of them out of business. Any remaining business will hire fewer employees and will cut back on the hours of existing employees. Not only will companies in Hawai‘i be forced to lay off workers or cut hours or benefits in order to afford increased wages, but they are also likely to slow (or even eliminate) new hiring.

An increase in the minimum wage will increase prices and the cost of living: It's basic economics – increased overhead costs mean increased prices. Our small businesses will have to pass on these new labor costs to their customers. This increases our already record high cost of living and will force even more families to move to the mainland

Raising the minimum wage will not lift working families out of poverty: According to contemporary economic literature, there is no empirical evidence that suggests that a minimum wage increase will reduce poverty.

Raising the minimum wage is expected to reduce teenage employment: Another overlooked, but important factor is the lack of discussion of the adverse employment effects that a minimum wage increase will have on teenage employment. There is a broad consensus of economic empirical studies that minimum wage increases lead to reduced teenage employment.

Instead of raising the minimum wage legislators should be looking at a combination of tax relief and a reduction in the obstacles that the state places on business and entrepreneurship in Hawai‘i. This is the best way to move forward in improving both our economy and the situation of low-wage workers ... not a minimum wage bill that will do little to help working families, while placing a significant burden on small businesses. If we want to establish our state as a desirable place to do business, we cannot continue to treat company earnings as an endless well for the state to draw from on demand.

Re: S.B. No. 2018 RELATING TO MINIMUM WAGE

Forcing employers to pay higher wages might seem like a good idea in the short run, but it doesn't create new wealth overall. To do that, you have to reduce taxes, rein in government spending, cut red tape, respect property rights, and generally rely more on the private sector, which is the only sector that truly produces wealth.

The minimum wage is a tool, but if we want to really help low wage workers in Hawai'i, it's the wrong tool for the job. We can't make Hawai'i more affordable through wage hikes. To make a real difference, we need to focus on lowering the cost of living.

“A minimum-wage law is, in reality, a law that makes it illegal for an employer to hire a person with limited skills.” – **Milton Friedman**

Respectfully,

A handwritten signature in blue ink that reads "Brett Kulbis". The signature is written in a cursive, slightly slanted style.

Brett Kulbis
Chairman
Honolulu County Republican Party

SB-2018

Submitted on: 1/22/2022 8:54:09 AM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
carol lee kamekona	Individual	Support	No

Comments:

I am in strong support of raising and providing a minimum livable wage for our residents and especially the indigenous peoples of this 'aina! We shouldn't have to live in a generational household just to survive. Too many of our young go off island for schooling and don't apply what they've learned to help our people here at home because they can't afford to live here unless they move back home with mom and dad. I also ask that two additional amendments be added:

1. Mandate subsequent annual minimum wage increases after 2026 indexed to a minimum self-sufficiency calculation made by DBEDT to ensure working families never again fall behind on being able to afford the basics.
2. Eliminate the tip Credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage. Studies show that workers who are forced to survive off of the tips they earn are put at an increased risk of sexual harrassment and other forms of violence. There is no good reason hard working people should earn a sub-minimum wage based on the kind of work they do for a living.

mahalo!

SB-2018

Submitted on: 1/22/2022 8:55:14 AM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
James Padgett	Individual	Support	No

Comments:

Dear Senate Committee on Labor, Culture and the Arts,

Mahalo for introducing a strong minimum wage increase bill that brings the state minimum wage up to \$18 by the year 2026. After years of inaction on this issue, Hawai'i's working families are in need of a rapid and bold wage increase to keep them from slipping through the many widening cracks in our economic system. **I strongly support** passage of this bill and applaud the committee chair for introducing this measure.

I would, however, politely request two amendments to the bill, the language for which can be borrowed from the Raise Up Hawai'i bill introduced by Rep. Jeanné Kapela (HB1503):

1. Mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by DBEDT to ensure working families never again fall behind on being able to afford the basics.
2. Eliminate the tip credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage. Studies show that workers who are forced to survive off of the tips they earn are put at increased risk of sexual harassment and other forms of violence. There is no good reason hard working people should earn a sub-minimum wage based on the kind of work they do for a living.

Mahalo for the opportunity to testify, and thank you again for your support of Hawai'i's workers and families.

Mahalo, James Padgett

Maui District

SB-2018

Submitted on: 1/22/2022 9:03:34 AM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Carol Philips	Individual	Support	No

Comments:

Aloha Honorable Senate,

Please pass this bill. Inflation has made it virtually impossible for people to survive in Hawaii on the existing minimum wage.

Respectfully,

Carol Philips

Statement Before The
SENATE COMMITTEE ON LABOR, CULTURE & THE ARTS
Monday, January 24, 2022
3:00 PM
Conference Room 225 & Videoconference

in consideration of
SB 2018
RELATING TO THE MINIMUM WAGE.

Chair TANIGUCHI, Vice Chair IHARA, and Members of the Senate Labor, Culture & The Arts Committee

Common Cause Hawaii provides comments in support of SB 2018 which Increases the minimum wage for certain employees incrementally to \$12.00 per hour beginning 10/1/2022, \$15.00 per hour beginning 1/1/2024, and \$18.00 per hour beginning 1/1/26.

Common Cause Hawaii is a nonprofit, nonpartisan, grassroots organization dedicated to reforming government and strengthening democracy - one that works for everyone and not just the special interests.

Common Cause Hawaii understands that when every employee is paid a minimum wage that is a living wage, the benefits flow to families, communities, and our state as a whole. Increasing the minimum wage to \$12 per hour beginning October 1, 2022 is a good start and will align Hawaii with many other states that have already raised the minimum wage. See <https://minimumwage.com/2020/12/80-states-and-localities-will-see-minimum-wage-hikes-in-2021/> (retrieved Jan. 22, 2022). Raising the minimum wage will help Hawaii's people and help to ensure a healthy, vibrant democracy. Please consider for SB 2018, after the final 2026 fixed minimum wage increase, tying future increases to the Urban Hawaii Consumer Price Index.

Thank you for the opportunity to comment in support of SB 2018 and to request consideration of tying future increases to the minimum wage, after 2026, to the Urban Hawaii Consumer Price Index. If you have further questions of me, please contact me at sma@commoncause.org.

Very respectfully yours,

Sandy Ma
Executive Director, Common Cause Hawaii

SB-2018

Submitted on: 1/22/2022 9:03:34 AM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Carol Philips	Individual	Support	No

Comments:

Aloha Honorable Senate,

Please pass this bill. Inflation has made it virtually impossible for people to survive in Hawaii on the existing minimum wage.

Respectfully,

Carol Philips

SB-2018

Submitted on: 1/22/2022 10:56:36 AM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
John & Rita Shockley	Testifying for FREE ACCESS COALITION	Support	No

Comments:

Aloha!

The Free Access Coalition supports SB2018 that will increase the minimum wage in Hawaii over time. Inflation is tearing into the buying power of many of the lowest paid workers. Free acces to a living wage is important to many struggling people in Hawaii who need money to be able to support themselves and their families.

We hope you will consider and pass this Minimum Wage bill. Mahalo for your time and hopefully, your support!

John & Rita Shockley. Coordinators at Free Access Coalition. www.freeaccesscoalition.weebly.com

SB-2018

Submitted on: 1/22/2022 11:05:01 AM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Stephen K Hanohano	Individual	Support	No

Comments:

Aloha Senate!

I support this bill with amendment to repeal the tip credit and to index wage increase!

Mahalo



AMERICANS FOR DEMOCRATIC ACTION

OFFICERS	DIRECTORS		MAILING ADDRESS	
John Bickel, President	Melodie Aduja	Jan Lubin	Bill South	P.O. Box 23404
Alan Burdick, Vice President	Keola Akana	John Miller	Zahava Zaidoff	Honolulu
Dave Nagajji, Treasurer	Juliet Begley	Jenny Nomura		Hawaii 96823
Doug Pyle, Secretary	Stephanie Fitzpatrick	Stephen O'Harrow		

January 23, 2022

TO: Chair Taniguchi and Members of the Labor, Culture, & the Arts Committee

RE: SB 2018 Relating to Minimum Wage

Support for a Hearing on January 24

Americans for Democratic Action is an organization founded in the 1950s by leading supporters of the New Deal and led by Patsy Mink in the 1970s. We are devoted to the promotion of progressive public policies.

Americans for Democratic Action Hawaii supports this bill as it brings the state minimum wage up to \$18 by the year 2026. After years of inaction on this issue, working families are in need of a rapid and bold wage increase to keep them from slipping through the many widening cracks in our economic system. We attach a graph of other expensive cities and their minimum wage levels.

We would, however, politely request two amendments to the bill, the language for which can be borrowed from HB 1503:

1. Mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by DBEDT to ensure working families never again fall behind on being able to afford the basics.
2. Eliminate the tip credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage. Studies show that workers who are forced to survive off of the tips they earn are put at increased risk of sexual harassment and other forms of violence. There is no good reason hard working people should earn a sub-minimum wage based on the kind of work they do for a living.

Thank you for your consideration.

Sincerely,

John Bickel, President



**Where LGBTQIA+ Rights Meet Labor Movement
A constituency group of the Hawai'i State AFL-CIO**

January 22, 2022

Senate's Committees on Labor, Culture, and the Arts
Hawai'i State Capitol
415 South Beretania Street, Room 225
Honolulu, HI 96813

Hearing: Monday, January 24, 2022 – 3:00 p.m.

RE: STRONG SUPPORT for Senate Bill 2018

Aloha Chair Taniguchi, Vice Chair Ihara, and fellow committee members,

Pride at Work – Hawai'i is an official chapter of Pride at Work which is a national nonprofit organization that represents LGBTQIA+ union members and their allies. We are an officially recognized constituency group of the AFL-CIO that organizes mutual support between the organized Labor Movement and the LGBTQIA+ Community to further social and economic justice.

Pride at Work – Hawai'i is proud to stand in stand in strong support with Hawai'i's Labor 'ohana in calling for a much-needed increase to Hawai'i's minimum wage by supporting Senate Bill 2018 which will increase the minimum wage for certain employees incrementally to \$12.00 per hour beginning 10/1/2022, \$15.00 per hour beginning 1/1/2024, and \$18.00 per hour beginning 1/1/26.

Pride at Work – Hawai'i is requesting that SB 2018 be amended to strike out the tip-credit. We are making this request because the tip-credit hurts the worker. No employee should have to rely on if a customer will tip or not to ensure that they will have the money for the basics.

Please do not believe the mis-information out there that raising the minimum wage closer to a living wage or eliminating the tip credit will hurt the worker. This is not base in reality and as we have seen in other jurisdictions across the country that have done both of these things have actually seen an stronger economy after making these positive changes.

Pride at Work – Hawai'i fully supports SB 2018 with the requested amendment to help ensure all workers have dignity and that starts with a living wage.

In solidarity,

Pride at Work – Hawai'i

**STONEWALL
CAUCUS**

FORMED IN 2001



THE FIRST CAUCUS OF THE
**DEMOCRATIC PARTY
OF HAWAII**

January 21, 2022

Senate's Committees on Labor, Culture, and the Arts
Hawai'i State Capitol
415 South Beretania Street, Room 225
Honolulu, HI 96813

Hearing: Monday, January 24, 2022 – 3:00 p.m.

RE: STRONG SUPPORT for Senate Bill 2018

Aloha Chair Taniguchi, Vice Chair Ihara, and fellow committee members,

I am writing in STRONG SUPPORT to Senate Bill 2018 on behalf of the Stonewall Caucus of the Democratic Party of Hawai'i (formerly the LGBT Caucus). SB 2018 will increase the minimum wage for certain employees incrementally to \$12.00 per hour beginning 10/1/2022, \$15.00 per hour beginning 1/1/2024, and \$18.00 per hour beginning 1/1/26.

SB 2018 is greatly needed for our economy and the state. When employees are not paid a living wage, it is a drain on the economy and the State's budget. Because it is we the tax payers that end up help subsidizing business profits for those employers that refuse to pay a living wage.

The Stonewall Caucus respectfully asks that SB 2018 be amended to eliminate the "tip-credit". Not just because of the racist history of tipping in the United States but also because those that work in tipped jobs have too much uncertainty. A tipped worker should not have to rely on a customer if they are able to put food on their table and roof over their head.

We hope you all will support this important piece of legislation.

Mahalo nui loa,

Michael Golojuch, Jr.
Chair and SCC Representative
Stonewall Caucus for the DPH

SB-2018

Submitted on: 1/22/2022 11:16:08 AM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Benjamin Kilinski	Individual	Support	No

Comments:

I am strongly in support of this legislation and applaud the supporting members for introducing it. The need for this is dire. I see first-hand the many families and young people coming out of high school deciding to leave their home for the mainland. They are not leaving because they want to but because of the extreme disparity between cost of living and working wages here in Hawaii. While we still need more affordable housing and tuition-free postsecondary education as well, this legislation would be a welcome step to addressing this issue. Mahalo nui, Ben Kilinski.

SB-2018

Submitted on: 1/22/2022 11:40:47 AM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Barbara Green	Individual	Support	No

Comments:

For all of Hawaii's problems to be resolved: housing, employment shortages and the exit of our young professionals, we must provide a living wage. Shame on the Aloha state for allowing our workers to be paid such a low salary that they often are eligible for foodstamps. Two of my children would love to return home but know the wages will not support the Hawaii cost of living.

Please begin to right this wrong by passing SB2018.
Aloha, Barbra Green

SB-2018

Submitted on: 1/22/2022 12:01:54 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Dan Gardner	Individual	Support	No

Comments:

Dear Senate Committee on Labor, Culture and the Arts,

Mahalo for introducing a strong minimum wage increase bill that brings the state minimum wage up to \$18 by the year 2026. After years of inaction on this issue, Hawaii's working families are in need of a rapid and bold wage increase to keep them from slipping through the many widening cracks in our economic system. **I strongly support** passage of this bill and applaud the committee chair for introducing this measure.

The hardworking people of Hawaii deserve a minimum wage that deals with the State's high cost of living for renting, food, and just about everything else. Please also the tip credit. This forces many workers to be at the mercy of their employers.

Thank you for all you are doing for the people of Hawaii.

SB-2018

Submitted on: 1/22/2022 1:10:54 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Mary Smart	Individual	Oppose	No

Comments:

I oppose SB2018. Increasing minimum wage merely increases the cost of goods and services which makes the increased wages meaningless expect to the tax collectors (IRS/state). It dillutes savings and increases inflation which is already in runaway mode. The legislature should cut government waste and let people decide what wages for which they will work. Government COVID restrictions have needlessly made a mess or our economy and the welfare of our residents. This bill is not needed or wanted.

Do not Pass SB2018.

SB-2018

Submitted on: 1/22/2022 1:16:51 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Peggy Regentine	Individual	Oppose	No

Comments:

I oppose paying beginning and often unskilled workers \$18 hour. Many unskilled need hand holding and training to complete the job. This is fine, but it is not up to the employer to have to pay \$18 for an unskilled employee. This affects the employer as they are limited to hiring enough workers. Often rather than hiring employees to perform daily tasks, this responsibility is put on the owner or the other employees which doubles their workload. Another thought- why should a person desire to obtain skills or go to college if they can start out with this minimum wage? where is the incentive?

SB-2018

Submitted on: 1/22/2022 1:41:27 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Frankie McCurley	Individual	Oppose	No

Comments:

I strongly oppose this bill and urge you to defer this measure. A raise in the minimum wage sounds good at first, but the repercussions on the employer and consumer will be horrific. This increase will be passed on to the consumer and small businesses will feel the brunt of the explosion. Small businesses will be forced to raise prices or close their doors. This pandemic already plagued small business here in Hawaii and to raise the minimum wage will be a shot to the heart of our needed mom and pops here locally. No matter what this bill should not go forward.

SB-2018

Submitted on: 1/22/2022 1:42:33 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
David Lau	Individual	Oppose	No

Comments:

I oppose SB2018 because it's bad for businesses. Goods and services will go up in price. Workers hours will be cut, and none of what this bill is set out to do will help Hawaii. An introductory job is not meant to be a career. Keeping cost low is how businesses pass on the savings to their customers. If this bill passes, what's to stop the minimum wage? \$20? \$25? \$30? This is a terrible idea and will hurt more than it will help!

SB-2018

Submitted on: 1/22/2022 1:50:50 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Rita Kama-Kimura	Individual	Oppose	No

Comments:

Please note that I do not support the passing of this bill.

With all due respect, I don't believe it is the governments place to dictate to business owners what their employees should be paid. We are all very well aware that many of our businesses operate on a shoe string during normal times. For the last few years with all the covid restrictions and shut downs this has only made things harder for them. Many have not survived, how may more would need to close their doors should this bill pass into law?

What government should be looking at is areas were they can reduce the very cost of living here in Hawaii.

Respectfully, Rita Kama-Kimura

SB-2018

Submitted on: 1/22/2022 1:59:12 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Marion Poirier	Individual	Support	No

Comments:

Chair and Members of the Committee:

My name is Marion Poirier, and I strongly support SB 2018 Relating To Minimum Wage. My talking points are:

*The current minimum wage is far below my expectation of providing a living wage for Hawaii's workers.

*Our current minimum wage causes people to work two and three jobs just to hold their head above water and does not provide for a healthy work-life balance.

*For comparison, San Francisco's minimum wage is \$18. Our cost of living is even higher than San Francisco. What are we waiting for? Do we want even more people to leave Hawaii for financial reasons?

*Please pass SB 2018 to improve the quality of life and health in Hawaii. I'm a nurse and get to see the repercussions of financial stress for so many of our citizens who go from job to job and then to bed, only to do that again the next day.

Thank you very much.

SB-2018

Submitted on: 1/22/2022 2:03:48 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Shirley David	Testifying for St. Michael the Archangel Parish, Kailua Kona	Support	No

Comments:

Our young people can no longer afford to live in Hawaii due to low wages and high rents. Families struggle to house multiple generations in overcrowded housing.

Raising the minimum wage is a much needed partial solution to solve the affordable housing and loss of our youth to the mainland crises.

Shirley David, Pastoral Council Chair

St. Michael the Archangel Parish, Kaiua Kona

Rep. Brian T. Taniguchi, Chair

Rep. Les Ihara Jr., Vice-Chair

Bill 2018

DATE: January 24, 2022

TIME: 3:00 PM

PLACE: Conference Room 225

VIA VIDEOCONFERENCE

IN STRONG SUPPORT OF BILL 2018

I am writing in support of SB 2018 relating to minimum wage. SB 2018 will increase the minimum wage for certain employees incrementally to \$12 per hour beginning of October 2022, \$15 per hour at the beginning of January 2024, and finally increasing the minimum wage to \$18 per hour at the beginning of January 2026. The minimum wage has remained unchanged since the year of 2008, the minimum wage being \$10.10 per hour. With over a decade of changes brought to the island, this includes how the cost of living has dramatically increased over the years for residents to live comfortably within the place they call home.

Increasing the minimum wage is crucial in ensuring that everybody who works has a livable wage to put towards their basic needs. This involves housing, food, transportation, child care if needed, and some money to spend on whatever they choose as an individual worthy of leisure time. Although the livable wage as of today appears to be a huge jump from what the minimum wage is now, SB 2018 will aid in ensuring that we are at least making progress towards a wage that fits the needs of every person and family that works to support themselves and their loved ones. I am confident positive change will occur if SB 2018 passes.

Thank you for your consideration,

Kristine Samonte

SB-2018

Submitted on: 1/22/2022 2:21:17 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Marcia Anderson	Individual	Oppose	No

Comments:

I strongly oppose this bill and urge you to defer this measure. I was a small business owner here for many years and have since retired. I can tell you first hand that raising the minimum wage is not the answer to providing a "living wage". Even \$18 an hour is not enough to live on in Hawaii. A better solution to help the working poor would be to eliminate the tax on food and medicine and lower the income tax rate on all lower and middle income taxpayers. I just read an interesting article entitled "States that Still Impose Sales Taxes on Groceries should consider reducing or eliminating them". "Thirteen of the 45 states with a sales tax still impose it on groceries". Do you not understand that if you raise the minimum wage, it gets passed on to the consumer and hurts the very ones you're trying to help? Let the market dictate what should and should not be paid in the form of a wage. Small businesses are always at a disadvantage when you force a minimum wage increase.

SB-2018

Submitted on: 1/22/2022 2:22:41 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
patricia knight	Individual	Oppose	No

Comments:

Raising the minimum wage would impact small businesses, reduce job opportunities for Hawaii's people, and create a higher cost of living! To reduce the cost of living in Hawaii without increasing the minimum wage, try repealing or getting a waiver for Hawaii on the Jones Act which would increase the supply of goods in Hawaii and drive down the prices!!

SB-2018

Submitted on: 1/22/2022 2:37:21 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Donna P. Van Osdol	Individual	Oppose	No

Comments:

I oppose this bill because hiking the minimum wage to as high as \$18.00 will jeopardize the profit-making of our small businesses essentially threatening their existence. Additionally, with higher wages come higher costs for the consumer.



Greg Maples, Chairman – Polynesian Cultural Center **Ryan Tanaka, Incoming Chair**- Giovanni Pastrami

Ave Kwok, Vice Chair- Jade Dynasty **Tambara Garrick, Secretary** – Hawaii Farm Project

Kahili Soon, Treasurer – Hukilau Marketplace **Tom Jones, Past Chair** – Gytaku

Sheryl Matsuoka, Executive Director **Chivon Garcia**, Executive Assistant **Holly Kessler**, Director of Membership Relations

Date: January 22, 2022

To: Sen. Brian T. Taniguchi, Chair
 Sen. Les Ihara, Vice Chair
 Members of the Committee on Labor, Culture, and Arts

From: Victor Lim, Legislative Lead

Subj: SB 2018 Relating to Minimum Wage

The Hawaii Restaurant Association representing 3,400 restaurants here in Hawaii opposes SB2018 as it is written and offer comments and suggestions.

The Restaurant Industry has to be one of the hardest hit by the Covid Pandemic since April 2020 and we have yet to recover. given the Omicron variant causing consumer apprehension on eating out. We feel that it will take us until the later part of 2022 for our economy to stabilize, provided that we do not face another Covid variant. Inflation is also running at an all time high of close to 7% and not slowing any time soon. Many well known legacy restaurant had closed here in our community and for those that are still operation, they are barely surviving on shoe strings margins. We feel that the bill's schedule of starting at \$12/hr in 10/1/22, \$15/hr by 1/1/24, and \$18/hr by 1/1/26, \$3 incremental jumps are just not sustainable to our local restaurants, consumer acceptance, and a manageable menu price inflation. Whenever you increase that starting (minimum) wage, please bear in mind that we also have to do a compression of the majority of our current workforce that are making over the new starting wage. We have to keep reasonable gaps between rookies and tenured staff.

Hawaii is also one of a very few states where employers have to provide for employee's medical insurance and we all know how big and fast those costs continue to escalate - a single coverage is now about \$400 per month. The following is our proposal that we hope you consider.

\$11/hr on 1/1/23
\$12/hr on 1/1/24
\$13/hr on 1/1 25
\$14/hr on 1/1/26
\$15/hr on 1/1/27

We strongly believe that a reasonable increase over time give us the best vehicle. We are very willing to work with you and your team on this very important issue.

Thank you for giving us this opportunity to share our concerns.





Jan. 24, 2022

3:00 p.m.

Hawaii State Capitol

Conference Room 225 & Videoconference

To: Senate Committee on Labor, Culture and the Arts

Sen. Brian T. Taniguchi, Chair

Sen. Les Ihara, Jr., Vice Chair

From: Grassroot Institute of Hawaii

Joe Kent, Executive vice president

Re: SB2018 — RELATING TO MINIMUM WAGE

Comments Only

Dear Chair and Committee members:

The Grassroot Institute of Hawaii would like to offer its comments on the portion of SB2018 which proposes increasing Hawaii's mandatory minimum wage to \$18 an hour by 2026.

The Grassroot Institute of Hawaii is concerned about the possible effect of this legislation on Hawaii's economy, especially as local businesses struggle to recover from the COVID-19 lockdowns.

The proposed wage increase represents a 78% increase in the minimum wage in less than 4 years. For many local businesses — especially smaller businesses and those with thin margins — nearly doubling personnel costs would be a recipe for disaster and nearly guarantee their closure.

Moreover, there is evidence to indicate that this bill, if enacted, would fail in its intent to help lift the state's working families out of poverty. Recent years have seen a glut of research demonstrating that far from helping low-wage employees, minimum-wage hikes are more likely to increase their economic burden as businesses cut hours, turn to technology or even cut jobs in order to mitigate the higher costs.

A 2021 [analysis](#) of minimum-wage research from the National Bureau of Economic Research debunks the claim that minimum-wage hikes do not reduce employment. On the contrary, the NBER meta-analysis found that, regardless of how researchers interpreted data to support a particular position in the minimum-wage debate, there is a clearly negative effect on employment associated with

minimum-wage increases: across all studies, 78.9% of estimated employment elasticities were negative.

The impact of wage increases was especially hard on the teens, young adults, and the less educated. And in studies of directly affected workers, the negative employment effects were even more obvious.¹

For example, in August 2018, a University of Washington study [found](#) that increasing Seattle’s minimum-wage from \$11 to \$13 an hour resulted in both the loss of about 5,000 jobs and an average cut in pay for the remaining employees of about \$125 a month, thanks to a cut in their job hours of more than 9%.²

Proponents of a minimum-wage hike often point to a few highly limited surveys that suggest raising the minimum wage can be economically neutral, but as the newest research from NBER demonstrates, the data demonstrates that the opposite is true. Study after study shows that when a municipality drastically raises its legal minimum wage, low-wage employees suffer.

In 2010, researchers from the National Bureau of Economic Research and the Federal Reserve Board compiled the results of 53 scholarly studies into a book, “[Minimum Wages](#),” and concluded there is “no compelling evidence that minimum wages on net help poor or low-income families, and some evidence that minimum wages adversely affect these families, and increase poverty.”³

Examining the idea that higher minimum wages will reduce poverty, those same researchers found that the opposite was true. While some low-wage workers do make more money, the gains are offset by loss of employment or hours for other workers. The researchers [found](#) that a minimum-wage hike increases the proportion of poor families by simply redistributing wealth among low-income earners.⁴

Because the number of families that fall into poverty from a minimum-wage increase slightly outstrips the number of families that escape poverty from the minimum-wage increase, the state is likely to see a slight increase in the number of families living in poverty following a minimum-wage hike. This is a further demonstration of why minimum-wage hikes are the wrong tool to address poverty.

¹ David Neumark and Peter Shirley, “[Myth or Measurement: What Does the New Minimum Wage Research Say About Minimum Wages and Job Loss in the United States?](#)” NBER Working Paper 28388, National Bureau of Economic Research, Cambridge, Mass., May 2021.

² Ekaterina Jardim, et al., “[Minimum Wage Increases, Wages, and Low-Wage Employment: Evidence from Seattle](#),” NBER Working Paper 23532, National Bureau of Economic Research, Cambridge, Mass., May 2018, <https://www.nber.org/papers/w23532>.

³ David Neumark and William L. Wascher, “[Minimum Wages](#),” The MIT Press, Cambridge, Mass., August 2010.

⁴ David Neumark and William Wascher, “[Do Minimum Wages Fight Poverty?](#)” NBER Working Paper Series, Working Paper 6217, National Bureau of Economic Research, Cambridge, Mass., August 1997.

The minimum-wage debate is often framed as a fight between businesses and employees. In truth, raising the legal minimum wage can hurt both. Employment declines as businesses find ways to cope with the increased cost. Some stop hiring, some turn to automation and some demand more work from the employees that stay.

For businesses that already have to contend with low margins and high risks, even a moderate increase in the minimum wage can be sufficient to drive them out of business.

In 2017, Dara Lee Luca of Mathematica Policy Research and Michael Luca of Harvard Business School [looked at](#) restaurant closings in San Francisco after the minimum wage was raised to \$13 an hour. The pair found that the higher minimum wage led to the death of many mid-range restaurants, as well as fewer new restaurant openings. For every dollar that the San Francisco minimum wage went up, there was a 4% to 10% increase in the likelihood of restaurant closings.⁵

The Grassroot Institute of Hawaii prefers policies that would strengthen our state's economy and benefit both businesses and employees. This bill, however, may have a negative effect on employment in general. Not only would companies in Hawaii likely be forced to lay off workers or cut hours or benefits in order to afford increased wages, they also likely would slow or even stop new hiring.

If we want to establish our state as a desirable place to do business, we cannot continue to treat company profits as an endless funding source for the state's social initiatives.

It is not fair to assume that Hawaii's employers are intentionally underpaying their employees or to assume that the government is more capable of addressing the payroll limitations of a business than the business owner is.

In order to help Hawaii's workers make more money, the state should pursue policies that will make the state more prosperous as a whole. A combination of tax relief and a reduction in the obstacles that the state places in the way of business and entrepreneurship is the best way to move forward, to improve both our economy and the situation of low-wage workers

In contrast, this proposed minimum-wage bill, SB2018, would more likely hurt than help Hawaii's businesses and low-income working families.

Thank you for the opportunity to submit our testimony.

Sincerely,

⁵ Dara Lee Luca and Michael Luca, ["Survival of the Fittest: The Impact of the Minimum Wage on Firm Exit."](#) Harvard Business School NOM Unit Working Paper No. 17-088, April 2017 (revised August 2018).

Joe Kent
Executive vice president
Grassroot Institute of Hawaii



To: Hawaii State Senate Committee on Labor, Culture, and the Arts
Hearing Date/Time: Monday January 24, 3PM
Re: Testimony in SUPPORT of SB2018

Dear Chair Taniguchi, Vice Chair Ihara, and the Members of Committee,

Members of AAUW of Hawaii thank you for this opportunity to testify in support of SB2018 which would increase the minimum wage to \$18 per hour by 2026.

Six in 10 of Hawaii's minimum wage workers are women, as they are overrepresented in low-wage industries like restaurants, food service, and retail. As you know, low-wage workers were disproportionately harmed by Hawaii's economic downturn caused by the COVID-19 pandemic. They need a living wage now more than ever before.

Minimum wage should be adjusted automatically to keep pace with the rising cost of living, and adjusted automatically with the Consumer Price Index. We request that you amend SB2018 as such.

We believe our economy would grow as the low-wage workers' income grows. Consumer spending makes up about two-thirds of our economy, so putting more dollars in the pockets of local workers means more money being spent at local businesses and supporting our local economy.

The American Association of University Women (AAUW) of Hawaii is an all volunteer, statewide chapter of a national organization and is made up of six branches: Hilo, Honolulu, Kaua'i, Kona, Maui, and Windward Oahu. UH Hilo, UH Manoa, UH Maui College, and Windward Community College are also AAUW partners. AAUW's mission is to advance gender equity for equal opportunities in education, at workplace and for economic security, and in leadership.

Please pass this important measure to ensure all workers in Hawaii have a living wage.
Mahalo.

Sincerely,

A handwritten signature in blue ink, appearing to read "Younghee Overly".

Younghee Overly
Public Policy Chair, AAUW of Hawaii
publicpolicy-hi@aauw.net

SB-2018

Submitted on: 1/22/2022 4:18:49 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Derwin	Individual	Support	Yes

Comments:

Aloha Senators,

I support SB2018 to increase the minimum wage to \$18 by 2026 because the cost of living is so high in Hawaii. Many parents work two jobs causing the family dynamics to not be structured. Increasing the minimum wage would increase stability of the family and the overall structure for the whole family.

So please support SB2018.

Thank you for your time,

Derwin

SB-2018

Submitted on: 1/22/2022 4:25:45 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Jonah Bobilin	Individual	Support	No

Comments:

Aloha,

My name is Jonah Bobilin and I am a resident and constituent from Pearl City who lived in the city of Honolulu from 2018 to 2021. I am writing in support of SB2018, which increases the minimum wage incrementally from \$12.00/hour to \$18.00/hour from 2022 to 2026.

According to an Investopedia article written by Lisa Goetz in June, 2021 Honolulu is the third most expensive city in the U.S. (after New York City and San Francisco). The minimum wage in New York City is \$15/hour, while the minimum wage in San Francisco is \$16.32/hour. A minimum wage employee working 40 hours per week will have a monthly salary of \$2,400 in New York City, \$2,611.20 in San Francisco, and only \$1,616 in Honolulu (simplifying each month as having 4 weeks).

According to an article titled "US Cities with the Lowest Cost of Living in 2021" by Joe Roberts published on Move.org in September, 2021 the monthly cost of living is \$1,385 in New York City, and \$2,775 in San Francisco, and \$2,462 in Honolulu. While the San Francisco minimum wage does not meet the cost of living, the deficit is only \$163.8, compared to Honolulu where it is \$846 (or a deficit of 52% the monthly salary of an employee making minimum wage).

Put another way, the minimum wage of New York City meets the cost of living; in San Francisco it meets 94.1% the cost of living; whereas in Honolulu the current minimum wage only meets 65.6% the cost of living. Roberts notes that "Honolulu, Hawaii has the fifth-highest cost of living, but it has the lowest median income of the 10 most expensive cities."

Furthermore, according to the World Population Review, Hawai'i has the highest livable wage of all U.S. States (livable wage being defined as "the amount of income determined to provide a decent standard of living").

The Massachusetts Institute of Technology's Living Wage Calculator lists the living wage of 1 adult with 0 children in Honolulu County at \$20.61 and two adults (both working) with 2 children at \$26.45. Indeed, across all three partnerships types listed (1 adult, 2 adults (1 working), 2 adults (both working)) from 0 to 4 children the Honolulu

minimum wage is significantly below the living wage. In-fact the current minimum wage only meets 64.3% to 15.5% of the living wage, which is abysmal. In five of the 12 cases listed the current minimum wage does not even meet the poverty wage.

While I do not consider the adjustments to the Hawai'i minimum wage proposed in SB2018 to be sufficient given the rising cost of housing and living in Hawai'i, this is a desperately needed step in the right direction, which I fully support.

Mahalo,
Jonah Bobilin

SB-2018

Submitted on: 1/22/2022 4:50:26 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Kelly Cogo	Individual	Support	Yes

Comments:

Aloha Senators,

My name is Kelly Cogo and I support the increase in the minimum wage to \$18 an hour by 2026. If this bill passes, I understand that the minimum wage will be incrementally increased until it reaches \$18 an hour by 2026. I strongly support this bill for hard working families in Hawaii, understanding that the cost of living is so high. I am learning to empathize for families that need to work more than one job. Cost of living include food, child care, rent, mortgage, car, insurance, among other expenses. Now is the time to support the citizens and residents of the State of Hawaii.

Please support SB2018 so that families don't have to be uprooted. This bill will help support Hawaii residents so the people in Hawaii can enjoy and maintain culture and arts, especially for our Keiki and Kupuna.

Thank you for your time,

Kelly Cogo

SB-2018

Submitted on: 1/22/2022 5:08:49 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Flora Patton	Individual	Support	Yes

Comments:

Aloha Senators:

My name is Flora Patton and I go to Waipahu Aloha Clubhouse. I fully support SB2018, increasing the minimum wage. The current minimum wage is impossible for us to survive. This State is so expensive and costly for groceries and necessities. Families standard of living is below par and the quality of their life is affected. With an increase to \$18 individuals and families will be able to have their needs met.

I support this bill with amendments to repeal the tip credit and to index wage increase.

Thank you for your time,

Flora Patton

SB-2018

Submitted on: 1/22/2022 5:56:26 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Boyd Ready	Individual	Oppose	No

Comments:

Dear Senators:

The true minimum wage is 'zero,' that is, no job at all.

High minimum wages suppress youth and low-experience, low-skill employment. They do not appreciably improve living conditions. They further consolidate the power of large businesses and suppress small independent business. They encourage wider use of cash basis, 'under the table' employment and off-the-books trade. They increase youth unemployment, idleness, and, like teen drug use, delayed skill- and human-development.

Better to take action to lower the cost of living.

It may feel good to 'command' the economy to do certain things but the economy is a real thing, independently acting, and will work around our laws and rules.

Better to keep min-wage as a floor to prevent simple exploitation and let the market decide how much pay a job is worth - to attract and keep employees. House cleaners charge \$30 per hour, cash, and can't keep up with demand. Entire economy is begging for workers and wages, signing bonuses, and premium pay are already being offered. Let people gravitate to the work they can do, and let employers bring in low-skilled people affordably.

In reality most people move up the wage scale with experience, and most minimum wage workers are not sole providers.

Boyd Ready, Haleiwa

SB-2018

Submitted on: 1/22/2022 7:21:44 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Cameo Fong	Individual	Oppose	No

Comments:

Increasing minimum wage will severely hurt the small local businesses that are already struggling to stay open and to keep and hire employees. This will kill our local businesses who may already be on life support. I oppose this change and strongly urge you to NOT approve or pass this bill.

SB-2018

Submitted on: 1/22/2022 7:29:25 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Brian "loane" Jahn	Individual	Support	No

Comments:

Aloha mai,

I strongly support this bill for an increase in minimum wage. As prices continue to rise it is unrealistic to expect people to live a fulfilling life without a realistic, living wage. In considering amendments, I would like to strongly recommend that there be a mandate for subsequent annual minimum wage increases after 2026, indexed to an annual minimum self-sufficiency calculation made by DBEDT, to ensure working families never again fall behind on being able to afford the basics. In addition, I would like to recommend an amendment to eliminate the tip credit. This is a harmful policy which allows some business owners to pay their workers a sub-minimum wage. There are data indicating workers who depend on tips to live run a higher risk of sexual harassment among other types of violence. Mahalo for taking the time to read these suggestions.

Me ke aloha,

loane

SB-2018

Submitted on: 1/22/2022 8:20:10 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Bill Skelton	Individual	Oppose	No

Comments:

I am strongly opposed to the minimum wage increase. I understand and appreciate the concern for workers with low wages. However, I believe a better approach is to provide training and education to improve worker skills so that currently low-wage workers can move into better paying positions.

An increase in the minimum wage will increase costs for small businesses. Many of them are barely scraping by, especially in these pandemic times. By increasing costs, some small businesses might have to let employees go and others might no longer have viable businesses. Either outcome will produce the exact opposite of the bill's desired effect. I encourage all our legislators to vote against this bill.

Thanks for listening!

Bill Skelton
Lihue, Kauai

SB-2018

Submitted on: 1/22/2022 9:00:13 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Paul Martin	Individual	Oppose	No

Comments:

I strongly oppose SB2018 as this will greatly affect Hawaii's local economy. Not only does this affect small business, but also the greater community. Hawaii already isn't happy with the cost of goods and services, we can't put any more charges on the local customer. We should encourage lower costs of business here in the state, thats at the hands of you - the ELECTED officials. You need to provide a more encouraging and benefial place to conduct business here in our state. We have so much opportunity. We need to end Monopolies on certain industies such as freight and import. More options potentially mean lower costs down the pipeline at every level, business owner to consumer on to the employee. When the business owner can "breathe" and turn a profit, he may see fit for him to provide better pay, even raises throught out the year. We should encourage local business, self emplyment and overall business success here in Hawaii. SB2018 would only be a "band aid" on a much greater issue. Yes, I want people to be paid fairly, live nicely and safely here in Hawaii, but forcing it on a business owner isn't the answer.

Mahalo

SB-2018

Submitted on: 1/22/2022 9:16:07 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Judith Brock	Individual	Oppose	No

Comments:

I strongly object to the passing of this bill. Our fragile economy is already on shaky ground, due to the covid lockdowns and inflation. Raising the minimum wage would only deal it another blow, we may never recover from. Thank you for allowing me to voice my opinion.

SB-2018

Submitted on: 1/22/2022 9:20:52 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Rebecca DiLiberto	Individual	Support	No

Comments:

Dear Senate Committee on Labor, Culture and the Arts,

Mahalo for introducing such a strong minimum wage bill. I strongly support the passage of this bill that would support local families struggling to keep up with the swiftly rising cost of living here in Hawai'i. I know raising the minimum wage would go a long way to supporting families like my own that work in the restaurant and tourism industry here on Maui.

I do, however, want to request two amendments be considered to this bill:

1. Mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by DBEDT to ensure working families never again fall behind on being able to afford the basics.
2. Eliminate the tip credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage. Many workers in Hawai'i have to rely on tips for their livelihood in addition to their hourly wage; tips can be both inconsistent and subjective, which is an inherently unfair way to make a living. There is no good reason hard working people should earn a sub-minimum wage based on the kind of work they do for a living.

I commend the committee chair for introducing this measure and would love to see it passed with the above amendments. Mahalo for the opportunity to testify.

Rebecca DiLiberto

Kahului, Maui

SB-2018

Submitted on: 1/22/2022 9:29:30 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Schayden Gorai	Individual	Oppose	No

Comments:

I do not support SB2018 because it does not support our hard-working citizens, small businesses, and our community's best interests. We as a state need to support our local, small businesses, sadly this bill does not do that. We make it hard enough to keep and open a small, local business, this will for sure shut down businesses, and never open a new door of opportunity for our small business seekers again. So, support our communities and the communities you were elected to represent by opposing and voting no on SB2018. Thank You.

SB-2018

Submitted on: 1/22/2022 9:50:06 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Kelly Lum	Individual	Oppose	No

Comments:

I strongly oppose this bill and urge you to defer this measure.

SB-2018

Submitted on: 1/22/2022 10:03:49 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Melissa Lapinad	Individual	Oppose	No

Comments:

I strongly oppose this bill and urge you to defer this measure.

SB-2018

Submitted on: 1/22/2022 10:29:34 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Kylie Akiona	Individual	Support	No

Comments:

Aloha e Chair Taniguchi & Vice Chair Ihara,

My name is Kylie Akiona, and I am commenting and testifying in **support of SB2018** relating to minimum wage.

To be very frank, legislation to raise our minimum wage is long overdue, and needed NOW. Not in 2026, and certainly not just an incremental increase to \$18 dollars. Living in Hawai'i, especially as a Kanaka Maoli wahine growing up in the most gentrified, non-Native populated and developed island in our pae 'Ā• ina, it doesn't take long to figure out that \$18 dollars four years from now is not a livable wage. Everyone deserves an income that can support their basic needs.

Please pass SB2018 to bring much-needed and immediate change that your constituents and all Hawai'i residents so desperately need.

Mahalo nui for the opportunity to testify in **support of SB2018**.

Me ke aloha,

Kylie Akiona

SB-2018

Submitted on: 1/22/2022 11:09:49 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Kayla Kawamura	Individual	Oppose	No

Comments:

I strongly oppose this bill and urge you to defer this measure. Many of Hawaii's residents are low-income, working poor who are currently being paid minimum wage. And many of us started our first jobs as minimum wage employees. We completely understand how hard it is to make ends meet in a place as expensive as Hawaii, let alone in the middle of an inflationary crisis.

But raising the minimum wage will backfire, because instead of putting more money in people's pockets, the minimum wage is a barrier to full employment. How, you ask? First, it's an anti-competitive practice that large corporations support to keep small businesses from rising up.

Big companies can afford to pay higher wages, but mom and pop small businesses operate on razor-thin margins and higher minimum wages means less employees they can hire and less profits they can use for increasing production and diversifying their services. It also makes the job market hypercompetitive, because businesses are more likely to require more qualifications for the entry-level pay, blocking many people from getting a job in the first place.

SB-2018

Submitted on: 1/23/2022 6:29:39 AM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Gary Hooser	Testifying for Pono Hawaii Initiative	Support	No

Comments:

Please accept this testimony in strong support of SB2018.

Please also consider amending this measure to eliminate the subminimum wage provision that unfairly impacts restaurant workers which is present in existing law, and also consider further amending the bill to include automatic annual increases based on the Consumer Price Index or another suitable mechanism.

Thank you Committee Chair Senator Taniguchi for introducing, scheduling, and passing out of your committee this strong and straightforward measure.

COMMUNITY ALLIANCE ON PRISONS

P.O. Box 37158, Honolulu, HI 96837-0158

Phone/E-Mail: (808) 927-1214 / kat.caphi@gmail.com



COMMITTEE ON LABOR, CULTURE AND THE ARTS

Senator Brian Taniguchi, Chair

Senator Les Ihara, Vice Chair

Monday, January 24, 2022

3:00 PM

SB 2018 SUPPORT WITH CONCERNS

Aloha Chair Taniguchi, Vice Chair Ihara and Members of the Committee!

My name is Kat Brady and I am the Coordinator of Community Alliance on Prisons, a community initiative promoting smart justice policies in Hawai`i for more than two decades. This testimony is respectfully offered on behalf of the more than 4,034 Hawai`i individuals living behind bars or under the “care and custody” of the Department of Public Safety or the corporate vendor on any given day. We are always mindful that 1,114 of Hawai`i’s imprisoned people are serving their sentences abroad thousands of miles away from their loved ones, their homes and, for the disproportionate number of incarcerated Kanaka Maoli, far, far from their ancestral lands.

Community Alliance on Prisons appreciates your committee being first out of the gate on minimum wage. SB 2018 increases the minimum wage for *certain* employees incrementally to \$12 per hour beginning in January 2024, and \$18 per hour beginning January 2026. Here are our concerns and suggestions:

RAISE THE MINIMUM WAGE TO A DECENT WAGE NOW! We have several concerns with this measure that increases the minimum wage to \$12 per hour in October of this year. This will still keep people struggling and \$18 in 2026, at the rate that prices are rising, won’t help people achieve anywhere near self-sufficiency. *In 2018 DBEDT reported that to achieve self-sufficiency a single adult required an income of \$35,143 (approximately \$17 per hour) and a single parent with one preschool-age child required an income of \$59,428 (approximately \$29 per hour).*

REPEAL THE TIP CREDIT! This bill also keeps the tip credit, allowing employers to penalize those whose work earns them tips for good service by paying those workers below minimum wage. Auwe!

TIE THE MINIMUM WAGE TO THE CONSUMER PRICE INDEX! This measure ignores the fact that prices on basic essentials are rising, impacting the nutritional needs of human beings while rents are rising with the inclusion of remote workers from other places.

The cost of living is a huge issue for our communities across Hawai`i nei, especially those struggling to survive at multiple minimum wage jobs. If a person worked one job at minimum wage, they would be making a little more than \$21,000 a year. We know many people who work multiple part-time minimum wage jobs just to stay afloat. And many of these people are the ones who kept - and continue to keep - Hawai`i going throughout this public health crisis. We owe them a debt of gratitude and a decent living.

The next time you are in the grocery store, remember the person who is packing or ringing up your purchases - they have braved the pandemic for you and to help their communities! Please thank them and pass a decent wage bill that doesn't insult their integrity.

Mahalo nui.

SB-2018

Submitted on: 1/23/2022 7:45:36 AM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Matt Smith	Individual	Oppose	No

Comments:

I strongly oppose raising the minimum wage. I am a small business owner and know first hand how this would raise the costs to consumers and strongly oppose it.

To be more on point, much of the cost of living in Hawaii is due to you, the elected politicians of this state over decades of bowing to special interest groups that add to the costs of living in this state.

Rather than increase costs more, you should focus on lowering costs of living and if employees want a higher wage then they should be rewarded for staying in school of whatever type it is and justifying earning a higher wage.

I strongly recommend as a voter that you do your part to lower costs of living rather than raise costs of living. One would easily be the shipping costs to our state. Another would be not requiring union work, both of which greatly increase costs of living in this state.

As a voters we small businesses will remember in the next two or three election cycles who votes to make doing business and cost of living in Hawaii higher instead of lower.



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the Senate Committee on Labor, Culture, and the Arts
Monday, January 24, 2022, at 3:00 P.M.
Via Videoconference**

RE: SB 2018, RELATING TO THE MINIMUM WAGE

Chair Taniguchi, Vice Chair Ihara, Jr., and Members of the Committee:

While the Chamber of Commerce Hawaii ("The Chamber") supports an increase in the minimum wage, at this time, we have concerns about the level it goes up to and the impact it will have on our small and locally owned businesses, jobs, and economic recovery.

The Chamber is Hawaii's leading statewide business advocacy organization, representing 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

In past legislative sessions, the Chamber of Commerce Hawaii has supported a minimum wage increase. The business community still sees the urgent need this year to help families that are struggling. While there is consensus that the minimum wage needs to increase, the enactment of a \$12 minimum wage this year, and an \$18 minimum wage by 2026 will likely undermine efforts made to turn Hawaii's economy around.

Hawaii's business community is at a critical point -- where any additional cost increases could mean the difference between closing their doors, cutting positions, as well as passing costs down to the consumer. Many are still making up for the lost revenue from that past couple of years. Furthermore, the Omnicron variant has severely disrupted business operations, as well as further exacerbates the workforce shortage problem. The supply chain issue and inflation are additional challenges.

Also, Hawaii is the only state with a prepaid healthcare mandate for employees that work 20 hours or more with annual fixed costs averaging \$6,000 per employee. Costs continue to rise, while the percentage that an employee contributes remains the same. This adds another \$3-\$4 an hour to the hourly wage.

Additionally, an increase in wages is tied to increased costs for other mandates, such as workers' compensation, temporary disability, unemployment insurance, payroll taxes and other voluntary benefit programs, so overall, the total hourly wage is much higher.



Chamber *of* Commerce HAWAII
The Voice of Business

We look forward to working with the Legislature on a balanced proposal to increase wages and other factors that are driving up the cost of living while supporting our local businesses and the jobs they provide.

Thank you for this opportunity to provide testimony.

HAWAII YOUTH SERVICES NETWORK

677 Ala Moana Boulevard, Suite 904 Honolulu, Hawaii 96813

Phone: (808) 489-9549

Web site: <http://www.hysn.org> E-mail: info@hysn.org

Carole Gruskin, President

Judith F. Clark, Executive
Director

Bay Clinic

Big Brothers Big Sisters Hawaii

Big Island Substance Abuse
Council

Bobby Benson Center

Child and Family Service

Coalition for a Drug Free Hawaii

Collins Consulting, LLC

Domestic Violence Action Center

EPIC, Inc.

Family Programs Hawaii

Family Support Hawaii

Friends of the Children's Justice
Center of Maui

Get Ready Hawai'i

Hale Kipa, Inc.

Hale 'Opio Kauai, Inc.

Hawaii Children's Action
Network

Hawaii Health & Harm

Reduction Center

Ho'ola Na Pua

Kahi Mohala

Kokua Kalihi Valley

Kokua Ohana Aloha (KOA)

Maui Youth and Family Services

Na Pu'uwai Molokai Native

Hawaiian Health Care
Systems

P.A.R.E.N.T.S., Inc.

Parents and Children Together
(PACT)

PHOCUSED

PFLAG – Kona Big Island

Planned Parenthood of the

Great Northwest and

Hawaiian Islands

Residential Youth Services

& Empowerment (RYSE)

Salvation Army Family

Intervention Services

Sex Abuse Treatment Center

Susannah Wesley Community
Center

The Catalyst Group

January 23, 2022

To: Senator Brian Taniguchi, Chair
And members of the Committee on Labor, Culture and the Arts

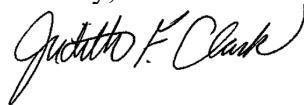
TESTIMONY IN SUPPORT OF SB 2018 RELATING TO MINIMUM WAGE

Hawaii Youth Services Network, a statewide coalition of youth-serving organizations, supports SB 2018 Relating to Minimum Wage.

The disparity between the cost of living and the minimum wage continues to grow. Families and young wage earners are unable to afford the basic necessities of life including food, shelter, and medical care.

Thank you for this opportunity to testify.

Sincerely,



Judith F. Clark, MPH
Executive Director



Senate Committee on Labor, Culture and the Arts

Senator Brian T. Taniguchi, Chair
Senator Les Ihara, Jr., Vice Chair
Monday, January 24, 2022 at 3:00 P.M.

RE: SB 2018, RELATING TO THE MINIMUM WAGE INCREASE

Chair Taniguchi, Vice Chair Ihara, Jr., and Members of the Committee:

The Society of Human Resource Management (SHRM) Hawaii respectfully opposes SB 2018 which increases the minimum wage.

SHRM Hawaii serves and represents nearly 600 members and employers' statewide and human resource management is a critical component to the success and survival of the many businesses that make up our local economy. HR professionals are responsible for evaluating and balancing the needs of both the employers and employees and caring for businesses' most valuable asset: the working people of our state.

We appreciate and understand the intent of this bill to increase minimum wage to help our workforce in Hawai'i. A large majority of our SHRM employers, already provide their employees with pay over the proposed minimum wage increases. Our smaller businesses members, however, would be significantly harmed by this legislation. Thus, SHRM respectfully opposes this bill.

Businesses are already stretched thin with the increased costs of other mandates, like workers' compensation, temporary disability, unemployment insurance, payroll taxes and other voluntary benefits. Markets and supply chains nationwide and in Hawai'i are already stretched thin and in some areas failing due to the workforce, financial, and production challenges associated with the COVID-19 pandemic. Hawai'i in particular does not need any more businesses that provide valuable goods and services shuttering their doors due to additional labor cost challenges that make continued operations of their businesses untenable. Increasing the annual fixed labor costs by an average of \$6,000 per employee will be a death knell to many of Hawai'i's already vulnerable businesses.



Because, increasing the minimum wage to \$18 by 2026 will greatly harm our members' businesses. Those increased labor costs will also ultimately erode their ability to hire and retain valuable human resource professionals who work hard to make many of Hawai'i's businesses safe, fair, and rewarding places to work. Thus, we must oppose this bill and ask that you consider implementing more reasonable and affordable increases that will help workers without causing much needed businesses and the critical jobs they provide from disappearing.

Thank you for this opportunity to provide our testimony.

Kalani Morse
Legislative Affairs Committee Co-Chair

Dailyn Yanagida
Legislative Affairs Committee Co-Chair



SHRM Hawaii, P. O. Box 3175, Honolulu, Hawaii (808) 447-1840

SB-2018

Submitted on: 1/23/2022 9:05:28 AM

Testimony for LCA on 1/24/2022 3:00:00 PM

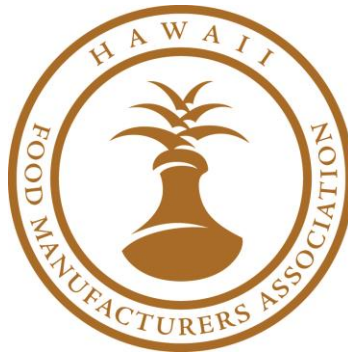
Submitted By	Organization	Testifier Position	Remote Testimony Requested
Barbara J. Service	Individual	Support	No

Comments:

Hawaii has long lagged behind the rest of the country in providing a livable minimum wage. That coupled with the high cost of living makes it very difficult for families to live in Hawaii.

Please pass this bill; it is long overdue.

Barbara J. Service MSW (ret.)



**Testimony to the Senate Committee on Labor, Culture, and the Arts
Monday, January 24, 2022, at 3:00 P.M.**

RE: SB 2018, RELATING TO THE MINIMUM WAGE

Chair Taniguchi, Vice Chair Ihara, Jr., and Members of the Committee:

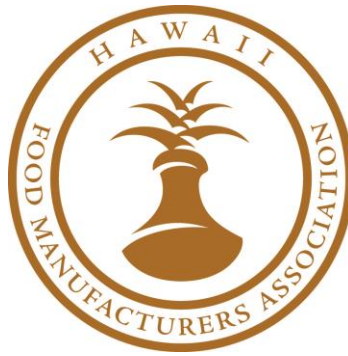
The Hawaii Food Manufacturers Association (HFMA) respectfully opposes SB 2018 which increases the minimum wage.

The Hawaii Food Manufacturers Association (HFMA) is a non-profit organization of approximately 120 members that has been promoting Hawaiian grown or manufactured products since 1977. The HFMA works to increase the understanding and appreciation of the unique flavors, quality, and care that go into the production of Hawaii's fine foods and beverages represented by our valued members and enjoyed by our valued community.

The food manufacturing industry in Hawaii generates \$900 million in annual revenue and is the largest manufacturing sector in the state using local inputs according to the Hawaii State Department of Business, Economic Development and Tourism. The industry provides over 6,100 jobs in the state and an annual payroll of more than \$160 million.

Hawaii's food manufacturers are at a breaking point -- where any additional cost increases could mean the difference between closing their businesses, laying off workers, and increasing prices which would put Hawaii food manufacturers at a disadvantage against competition in other states. COVID-19 has severely disrupted business operations, as well as further exacerbates the workforce shortage problem.

The statewide labor shortage has already forced food manufacturers to increase overall wages, which is causing strain on company's finances. The high turnover in the workforce for entry level positions are a burden business is already struggling with. By increasing the costs of hiring people who have no training, big business that have the infrastructure in place may be forced to turn to automation, which would hurt our overall economy and further worsen the unemployment rate.



The costs of raw materials have escalated dramatically due to the pandemic. Our food manufacturers have suffered due to the increase in wait times to receive materials, and it has cost their businesses tremendously over the last two years. Increasing the minimum wage now would hurt an already suffering industry and some of our small businesses will not be able to stay open with the proposed minimum wage increase of \$12 this year, and \$18 by 2026.

The escalating property prices and commercial rent increases are creating stress on food manufacturers that are already struggling to survive with limited revenue due to COVID-19 restrictions. Adding this minimum wage increase to \$12 by this year and \$18 by 2026 would further increase the stress and limit companies' growth.

Also, Hawaii is the only state with a prepaid healthcare mandate for employees that work 20 hours or more with annual fixed costs averaging \$6,000 per employee. Costs continue to rise, while the percentage that an employee contributes remains the same. This adds another \$3-\$4 an hour to the hourly wage.

Additionally, an increase in wages is tied to increased costs for other mandates, such as workers' compensation, temporary disability, unemployment insurance, payroll taxes and other voluntary benefit programs, so overall, the total hourly wage is much higher.

Thank you for this opportunity to provide testimony.



Testimony to the Senate Committee on Labor, Culture and the Arts
Monday, January 24th, 2022 at 3:00pm

Conference Room 225, State Capitol
RE: SB2018 Relating to the Minimum Wage

Position: Strong Support

Members of the Labor Committee:

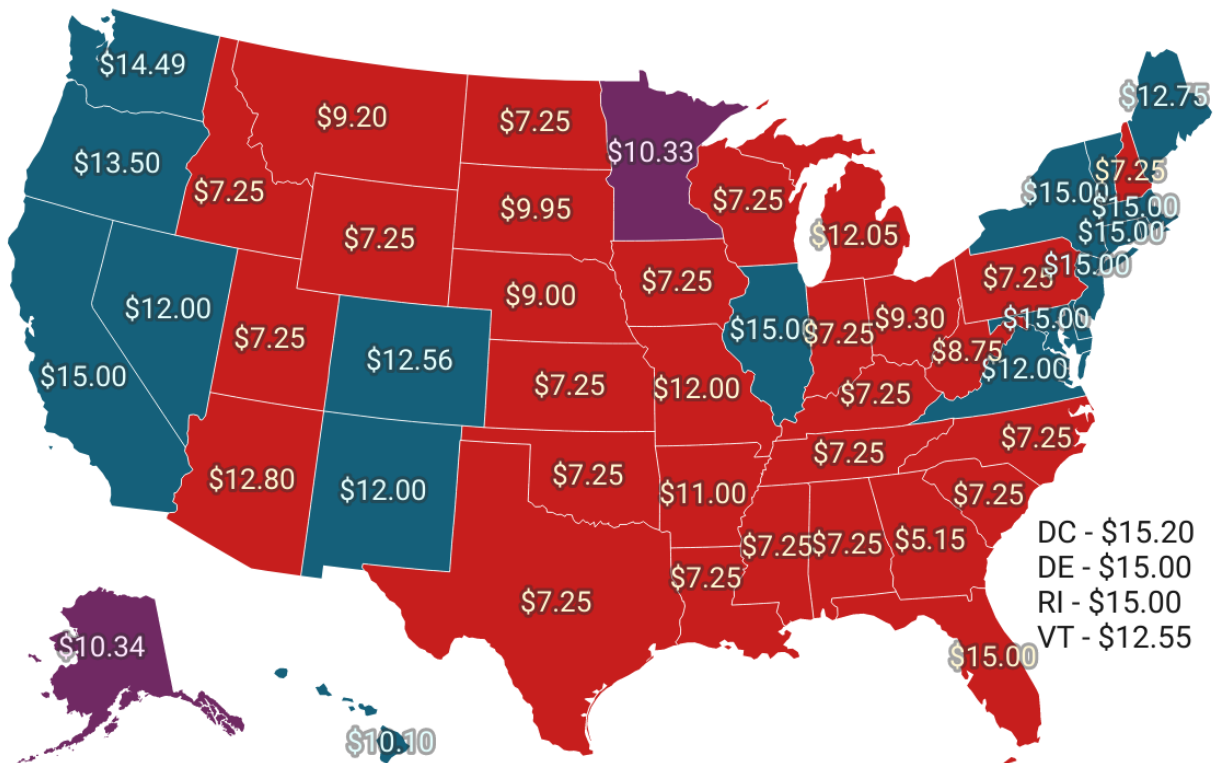
Hawaii's Minimum Wage Falls Short

While more than [\\$18 per hour](#) was needed for full-time workers to afford their basic needs in 2020, Hawaii's minimum wage is only [\\$10.10 per hour](#). More than [150,000 full-time workers](#) in Hawaii earn less than \$35,000 per year, while more than \$38,000 is needed to make ends meet.

Hawaii's Minimum Wage Law Lowest Among Blue States

Minimum wage laws in the United States

Democratic-controlled Split Legislature Republican-controlled





Raising the Wage Helps Workers, Small Businesses and our Economy

When the minimum wage increased from \$7.25 in 2014 to \$10.10 in 2018, workers at all income levels saw their earnings [increase](#) faster than wages nationwide. This was a change from the previous four years when local wages grew [slower](#) than wages nationally.

With workers earning more money and spending it here locally, from 2014 to 2018, the number of small businesses in Hawaii [increased](#) as did their number of employees. Unemployment was also near [all time lows in 2018](#). Hawaii's economy grew at a [faster rate](#) from 2014-2018 than when the minimum wage was stagnant. Our local economy's growth was faster than the [nation's economic growth](#) over that time also.

Democrats Support a Large Minimum Wage Increase Nationally

President Joe Biden and national Democrats are supportive of a \$15 minimum wage nationwide. Their [Raise the Wage Act](#) would increase the \$7.25 current minimum wage to \$15. This bill has 201 cosponsors. Hawaii can also increase the wage by nearly \$8 to help deal with our high cost of living.

Workers Much Worse Off Than in 2018

Our last minimum wage increase in 2018 left workers earning \$21,008 per year, while they needed \$36,347 to make ends meet. That's a gap of over \$15,000. Based on inflation estimates, the need in 2022 is over \$41,000 putting the gap now at \$20,000. Hawaii's failure to increase the wage since 2018 has left workers falling further and further behind.

SB-2018

Submitted on: 1/23/2022 9:43:09 AM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Rev. Samuel L Domingo	Testifying for Faith Action for Community Equity/Raise UP Hawaii Coalition	Support	No

Comments:

Dear Senator Taniguchi and members of Committee on Labor and Culture and the Arts,

Thank you for introducing a strong bill that supports our workers that raises the minimum wage to \$18 by 2026. It has been long time coming way before the pandemic has exposed the greatest harm to our low-wage workers. Now is the time to do what is right for our workers.

I would like to request two amendments:

1. Mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum wage self-sufficiency calculation made by DBEDT to ensure working families never again fall behind on being able to afford the basics. When the ALICE report puts half of our working families at risk now, this amendment would greatly ease their plight.
2. Eliminate the tip credit. Tipping has racist origins and allowing the tip credit helps business owners continue a legacy that affects more women of color. Supporting a sub minimum wage is immoral.

Mahalo for the opportunity to testify and thank you again for your support of Hawaii's workers and families.

SB-2018

Submitted on: 1/23/2022 10:29:39 AM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
donn viviani	Individual	Support	No

Comments:

I'm writing in support of SB2018 I'm Donn Viviani. My wife and I live in Kailua and have family in the Punchbowl and Aina Haina areas. Aside from fairness, increasing the minimum wage has been shown to be an economic driver. Low wage employees invariably spend new income on goods and services (this is demonstrated by the effect of stimulus packages on the economy). Any initial employment loss from high wages will be more than made up for by new jobs that service the new demand. Further, the new demand will stimulate investment that will provide the new goods and services. It's called the Acceleration Principle and apart from population growth, innovation and resource discovery, it's how economies grow.

Mahalo Donn Viviani



SB 2018, RELATING TO MINIMUM WAGE

JANUARY 24, 2022 · SENATE LABOR, CULTURE AND
THE ARTS COMMITTEE · CHAIR SEN. BRIAN T.
TANIGUCHI

POSITION: Support with amendments.

RATIONALE: Imua Alliance supports and suggests amendments for SB 2018, relating to minimum wage, which increases the minimum wage for certain employees incrementally to \$12.00 per hour beginning 10/1/2022, \$15.00 per hour beginning 1/1/2024, and \$18.00 per hour beginning 1/1/26.

A living wage is a human right. According to the Department of Business, Economic Development, and Tourism, a single adult required an income of \$37,646 to achieve self-sufficiency in Hawai'i in 2020, while a single parent with one child required \$64,926. Adjusted for inflation, DBEDT's reporting shows that in 2022, a single minimum wage worker must earn at least \$19.36/hour to survive on our shores, a number that rises to \$19.94/hour for Honolulu. At our current statewide minimum wage rate of \$10.10/hour, however, full-time minimum-wage employees earn only \$21,008 annually, far less than what's needed to meet their basic needs.

Moreover, Hawai'i residents face the highest housing costs in the nation, at more than twice the national average. Researchers who authored the National Low Income Housing Coalition's *Out of Reach 2021* report found that a full-time worker would need to earn \$37.69/hour to afford a two-bedroom apartment at fair market value in our state, with Honolulu experiencing a 67 percent increase in fair market rent between 2005 and 2015. Average rent for a two-bedroom unit

surpassed \$2,000 in recent years, with minimum wage workers needing to log 114 hours per week to afford a modest one-bedroom apartment at fair market value and 149 hours per week to afford a two-bedroom—a number that is equivalent to working over 20 hours a day with no days off year-round. In the past five years alone, Honolulu rent has increased by more than 25 percent. While 41 percent of Hawai'i residents are renters (a number that does not include individuals and families renting outside of the regulated rental market), a minimum wage increase is necessary to ensure that residents can meet their basic needs.

One out of every four households in Hawai'i report that they are “doubling up” or are three paychecks or less away from being homeless, per the Hawai'i Appleseed Center for Law and Economic Justice. Additionally, over 60 percent of households are severely cost-burdened, following NLIHC data, meaning that they pay more than 30 percent of their income on housing, a number that rises to over 80 percent of extremely low-income households, with only 74 homes available for every 100 households earning 80 percent of their respective area's median income.

Notably, housing costs increased during the pandemic. In Honolulu, median single-family home prices reached a record of \$1.06 million last December, driven largely by sales to residential property investors. Unsurprisingly, our state is now experiencing population decline. Hawai'i saw domestic out-migration increase for a fifth consecutive year in 2021, as the state's high cost of living continued to push people to the mainland. Census estimates show that our state's population dropped by 10,358 people from July 2020 to July 2021, when births, deaths, and migration were accounted for. Hawai'i should have gained population because births outpaced deaths 15,510 to 11,279 during the period, creating what should have been a 4,231-person increase. Thus, in raw figures, about 14,500 people left the state between 2020 and 2021.

Additionally, prior to the pandemic, **as the minimum wage increased to \$10.10/hour over the last four years, our local economy grew.** People earning more income at the lower end of the pay scale spend money on basic goods and services (they can't afford to invest in the stock market or buy imported luxury goods), thereby putting their increased earnings back into the local economy, increasing demand, raising local profits, and uplifting the Aloha State's overall economy. Over the four years preceding COVID-19, **we experienced record low unemployment and witnessed the number of small businesses boom.** Hawai'i will likely see

the same impact under new minimum wage increases as our economy returns to normal, leading to greater prosperity for all. **We cannot allow COVID-19 to become an excuse for failing to create a living wage, since the virus wrought economic devastation that disproportionately harmed low-income families, who lost their jobs, saw their hours slashed, and are now struggling to pay for basic needs, like food and rent.** If anything, the pandemic and ensuing economic crisis have made raising the minimum wage more urgent, so that we can ensure economic security for workers who are struggling to find a path back to financial security, while our nation's billionaires have glaringly increased their wealth by over a trillion dollars since COVID-19 was declared to be a global public health emergency.

That said, we suggest **amending this measure to eliminate the tip credit and tie future minimum wage increases to the consumer price index,** The tip credit is nothing more than a subminimum wage credit that allows restaurants to pay tipped employees less than the minimum wage. Tipping originated in feudal Europe and was imported back to the United States by American travelers eager to seem sophisticated. The practice spread throughout the country after the Civil War as U.S. employers, largely in the hospitality sector, looked for ways to avoid paying formerly enslaved workers. Numerous studies have shown that the tip credit not only allows employers to pay slave wages, but worsens sexual harassment in the workplace, as tipped employees become reluctant to file complaints about sexually predatory customers for fear of losing the tips on which they rely. Moreover, linking future minimum wage increases to the consumer price index would ensure that our minimum wage becomes a living wage that keeps pace with Hawai'i's rising cost of living, while preventing the financial security of working families from being weaponized for political gain.

Over two-thirds of Hawai'i's economy is predicated upon consumer spending. As we work to overcome the fiscal emergency that besieged during the last two years, we should put more money in the hands of our state's workers, which will cause our entire economy to surge. A living wage is not just a financial boost for working families. It is a prescription for maintaining the prosperity of the islands' entire economy.

Kris Coffield · Executive Director, Imua Alliance · (808) 679-7454 · kris@imuaalliance.org



SENATE BILL 2018, RELATING TO MINIMUM WAGE

JANUARY 24, 2022 · SENATE LABOR, CULTURE, AND
THE ARTS COMMITTEE · CHAIR SEN. BRIAN T.
TANIGUCHI

POSITION: Support with amendments.

RATIONALE: The Democratic Party of Hawai'i Education Caucus supports and **suggests amendments** for SB 2018, relating to minimum wage, which increases the minimum wage for certain employees incrementally to \$12.00 per hour beginning 10/1/2022, \$15.00 per hour beginning 1/1/2024, and \$18.00 per hour beginning 1/1/26.

A living wage is a human right. According to the Department of Business, Economic Development, and Tourism, a single adult required an income of \$37,646 to achieve self-sufficiency in Hawai'i in 2020, while a single parent with one child required \$64,926. Adjusted for inflation, DBEDT's reporting shows that in 2022, a single minimum wage worker must earn at least \$19.36/hour to survive on our shores, a number that rises to \$19.94/hour for Honolulu. At our current statewide minimum wage rate of \$10.10/hour, however, full-time minimum-wage employees earn only \$21,008 annually, far less than what's needed to meet their basic needs.

Moreover, Hawai'i residents face the highest housing costs in the nation, at more than twice the national average. Researchers who authored the National Low Income Housing Coalition's *Out of Reach 2021* report found that a full-time worker would need to earn \$37.69/hour to afford a two-bedroom apartment at fair market value in our state, with Honolulu experiencing a 67 percent

increase in fair market rent between 2005 and 2015. Average rent for a two-bedroom unit surpassed \$2,000 in recent years, with minimum wage workers needing to log 114 hours per week to afford a modest one-bedroom apartment at fair market value and 149 hours per week to afford a two-bedroom—a number that is equivalent to working over 20 hours a day with no days off year-round. In the past five years alone, Honolulu rent has increased by more than 25 percent. While 41 percent of Hawai'i residents are renters (a number that does not include individuals and families renting outside of the regulated rental market), a minimum wage increase is necessary to ensure that residents can meet their basic needs.

One out of every four households in Hawai'i report that they are “doubling up” or are three paychecks or less away from being homeless, per the Hawai'i Appleseed Center for Law and Economic Justice. Additionally, over 60 percent of households are severely cost-burdened, following NLIHC data, meaning that they pay more than 30 percent of their income on housing, a number that rises to over 80 percent of extremely low-income households, with only 74 homes available for every 100 households earning 80 percent of their respective area's median income.

Notably, housing costs increased during the pandemic. In Honolulu, median single-family home prices reached a record of \$1.06 million last December, driven largely by sales to residential property investors. Unsurprisingly, our state is now experiencing population decline. Hawai'i saw domestic out-migration increase for a fifth consecutive year in 2021, as the state's high cost of living continued to push people to the mainland. Census estimates show that our state's population dropped by 10,358 people from July 2020 to July 2021, when births, deaths, and migration were accounted for. Hawai'i should have gained population because births outpaced deaths 15,510 to 11,279 during the period, creating what should have been a 4,231-person increase. Thus, in raw figures, about 14,500 people left the state between 2020 and 2021.

Additionally, prior to the pandemic, **as the minimum wage increased to \$10.10/hour over the last four years, our local economy grew.** People earning more income at the lower end of the pay scale spend money on basic goods and services (they can't afford to invest in the stock market or buy imported luxury goods), thereby putting their increased earnings back into the local economy, increasing demand, raising local profits, and uplifting the Aloha State's overall economy. Over the four years preceding COVID-19, **we experienced record low**

unemployment and witnessed the number of small businesses boom. Hawai'i will likely see the same impact under new minimum wage increases as our economy returns to normal, leading to greater prosperity for all. **We cannot allow COVID-19 to become an excuse for failing to create a living wage, since the virus wrought economic devastation that disproportionately harmed low-income families, who lost their jobs, saw their hours slashed, and are now struggling to pay for basic needs, like food and rent.** If anything, the pandemic and ensuing economic crisis have made raising the minimum wage more urgent, so that we can ensure economic security for workers who are struggling to find a path back to financial security, while our nation's billionaires have glaringly increased their wealth by over a trillion dollars since COVID-19 was declared to be a global public health emergency.

That said, we suggest **amending this measure to eliminate the tip credit and tie future minimum wage increases to the consumer price index,** The tip credit is nothing more than a subminimum wage credit that allows restaurants to pay tipped employees less than the minimum wage. Tipping originated in feudal Europe and was imported back to the United States by American travelers eager to seem sophisticated. The practice spread throughout the country after the Civil War as U.S. employers, largely in the hospitality sector, looked for ways to avoid paying formerly enslaved workers. Numerous studies have shown that the tip credit not only allows employers to pay slave wages, but worsens sexual harassment in the workplace, as tipped employees become reluctant to file complaints about sexually predatory customers for fear of losing the tips on which they rely. Moreover, linking future minimum wage increases to the consumer price index would ensure that our minimum wage becomes a living wage that keeps pace with Hawai'i's rising cost of living, while preventing the financial security of working families from being weaponized for political gain.

Over two-thirds of Hawai'i's economy is predicated upon consumer spending. As we work to overcome the fiscal emergency that besieged during the last two years, we should put more money in the hands of our state's workers, which will cause our entire economy to surge. A living wage is not just a financial boost for working families. It is a prescription for maintaining the prosperity of the islands' entire economy.

Kris Coffield · Chairperson, DPH Education Caucus · (808) 679-7454 · kriscoffield@gmail.com



Before the Senate Committee on Labor, Culture & the Arts

DATE: January 24, 2022

TIME: 3:00 PM

PLACE: VIA VIDEOCONFERENCE

Re: SB 2018 Relating to the Minimum Wage

Aloha Chair Taniguchi, Vice Chair Ihara, and members of the committee:

We are testifying on behalf of the National Federation of Independent Business (NFIB) in opposition to SB 2018 relating to the minimum wage.

No one has greater incentive, responsibility, or ability to lead the economy than Hawaii's small business owners. Small businesses play a major role in the economy, representing 99% of all employer firms, employing about half of private-sector employees and generating the majority of net new jobs annually. Though the initial phases of the pandemic are now behind us, there isn't much joy among small businesses as they strive to stay open and save jobs. Many small firms are challenged by pandemic-related capacity limits. At the same time, small business owners are offering record highs in compensation and still having a difficult time finding employees. This is the ideal time to work to foster small business growth rather than to increase the cost of doing business here.

Small business owners know that increasing the minimum wage for certain employees incrementally to \$12.00 per hour beginning 10/1/2022, \$15.00 per hour beginning 1/1/2024, and \$18.00 per hour beginning 1/1/26 may require increasing the price of their product or service or reducing labor costs elsewhere through reduced jobs, reduced hours, or reduced benefits. We respectfully oppose this measure.

The National Federation of Independent Business is the largest advocacy organization representing small and independent businesses in Washington, D.C., and all 50 state capitals. NFIB's purpose is to impact public policy at the state and federal level and be a key business resource for small and independent business.

Thank you for the opportunity to testify.



TESTIMONY OF TINA YAMAKI, PRESIDENT
RETAIL MERCHANTS OF HAWAII
January 24, 2022
Re: SB 2018 Relating to Minimum Wage

Good afternoon, Chair Taniguchi and members of the Senate Committee on Labor, Culture, and the Arts. I am Tina Yamaki, President of the Retail Merchants of Hawaii and I appreciate this opportunity to testify.

The Retail Merchants of Hawaii was founded in 1901, RMH is a statewide, not for profit trade organization committed to the growth and development of the retail industry in Hawaii. Our membership includes small mom & pop stores, large box stores, resellers, luxury retail, department stores, shopping malls, local, national, and international retailers, chains, and everyone in between.

While the Retail Merchants of Hawaii appreciates the intent of SB 2018 Relating to Minimum Wage; we have some major concerns. This measure increases the minimum wage for certain employees incrementally to \$12.00 per hour beginning 10/1/2022, \$15.00 per hour beginning 1/1/2024, and \$18.00 per hour beginning 1/1/26.

Costs like an increase in minimum wages would be passed directly on to the customers, making Hawaii an even more expensive place to live. Retailers realize that if their products are too costly, they will lose the sale. Their customers will seek an alternative retailer online who may not have ties to Hawaii because they offer the item cheaper.

What does a raise in minimum wage mean?

- **Many local small businesses will not be able to afford the \$1.90 per hour wage increase this bill calls for in October of this year, let alone \$18 per hour in 2026.** We have heard that some people have said that “If you cannot afford the minimum wage increase, you should not be in business.” That is harsh words to suggest that we should shut the business down and layoff the hardworking employees, especially if you are that employee who needs that retail job to feed their family and the employer is doing everything they can to keep their doors open, and all of their employees employed.
- **Minimum wage increase causes a compression of wages** between newly hired/inexperienced workers and the veteran/experienced employees. Newly hired unskilled employees should not be making more than the seasoned employees who are already trained. As a result, all pay scales are increased while employees will be laid off or departments eliminated to pay for the increase.
- **An increase in payroll costs also leads to increases in benefit costs that are based on wages**, including unemployment insurance, Social Security and Medicare, workers’ compensation premiums, and vacation and holiday pay. It is not just a \$1.90 or \$2.00 increase in wages per hour that employers must pay for. All other benefit costs would also raise substantially.
- We must also factor in that **Hawaii is the ONLY state that mandates healthcare coverage for workers.** This is also another mandated benefit that is a huge cost to employers in Hawaii.

- **Even more employee layoffs to stay solvent and keep their doors open.** Currently Hawaii's unemployment rate is one of the highest in the nation, and the number will keep climbing as more of our friends, family and neighbors are laid-off to compensate for the increase in minimum wage.
- **Potential to cut employee hours.** Many store hours of operations are already reduced and to pay for the increase in wages, employee work hours may be reduced substantially more.
- **Businesses are looking into implementing artificial intelligence and more self-checkout lines** as ways to cut costs to cover government mandates. We are seeing this as more stores are investing in self-checkout counters.
- **Price of goods will increase to cover the increased cost of payroll, thus driving up the cost of living in Hawaii.** Anytime there is an increase in the cost of doing business, retailers pass on this cost to the customers. Our retailers no longer have competitive pricing and customers go elsewhere or purchase online and not in the stores.
- **With fewer employees, customer service will be negatively impacted** with even longer lines and less employees to assist the customers.

Minimum wages were never intended to be a living wage. It is the entry job for many who have little or no experience. Many of the workers in retail are experiencing their first job like the many high school students and there are many looking only to work part time. Businesses must often teach new hires everything from hygiene, how to dress for work and other basic life skills in addition to working a cash register, how to open and close and customer service. As they gain skills, workers can get pay increase and/or a promotion.

There are many full-time positions open in retail, however employees work part time in our stores to spend more time with family, attend school and study or are retired and looking for something to do.

Over the past couple of years, the retail industry has been one of the hardest hit sectors during this pandemic. We continue to hear of another retail store or chain closing – from local mom and pops shops to national chain stores. Since the pandemic, those retailers who were deemed non-essential were forced to close their businesses for months due to government emergency orders. Those on Oahu were forced to close their businesses a second time with no income from online sales unless they were fulfilling the orders from home. Retailers have also had to endure cash on delivery for many of their goods ordered (no longer able to pay 60 days after receiving items); an almost 50% rate increase in interisland shipping and 300% for mainland shipping; not to mention shipping delays; supply chain disruptions; and need for employees. In addition, many stores who rely directly on the visitors are not opening at all or just a few of their locations until the customer base returns – if they can hold on that long. Since March of 2020, many retailers have also had to lay off their staff, taken pay-cuts, shortened their hours of operations, used up their personal savings as well as their children's college fund and not to mention selling their home all in an effort to keep their doors open and their employees employed. Now they are unsure how they will survive as they are still months behind on their commercial lease rent, utilities, and other operating expenses. We would also like to mention when pandemic numbers are high, many customers stay home and do not come out to the stores to shop.

Retailers like many businesses are struggling to survive and keep their employees employed. Many small retailers have not recovered and are still in debt from the pandemic. Many retailers especially the small stores, cannot afford an increase in doing business. We hope that you will reconsider the steep increases being suggested in this measure that would harm many small businesses. We look forward to working with you to find an amicable solution.

Mahalo again for this opportunity to testify.



1200 Ala Kapuna Street ♦ Honolulu, Hawaii 96819
Tel: (808) 833-2711 ♦ Fax: (808) 839-7106 ♦ Web: www.hsta.org

Osa Tui, Jr.
President

Logan Okita.
Vice President

Lisa Morrison
Secretary-Treasurer

Wilbert Holck
Executive Director

TESTIMONY BEFORE THE SENATE COMMITTEE ON LABOR,
CULTURE & THE ARTS

RE: SB 2018 - RELATING TO MINIMUM WAGE

MONDAY, JANUARY 24, 2022

OSA TUI, JR., PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION

Chair Taniguchi and Members of the Committee:

The Hawaii State Teachers Association **supports SB 2018, with the suggested amendments**, relating to minimum wage.

Our minimum wage workers earn only \$21,000 a year (working full time at \$10.10 per hour) while facing the highest cost of living in the nation. For example, a Hawai'i minimum wage worker in 2019 would have to work 109 hours per week just to pay rent for a 1-bedroom apartment. **As you can imagine, rent is even higher now, three years later.**

The working families in Hawai'i are in need of a rapid and bold wage increase to keep them from slipping through the many widening cracks in our economic system that many have already slipped through. HSTA **supports** the passage of this bill and applaud the committee chair for introducing this measure.

We politely request two amendments to the bill, the language for which can be borrowed from the HB 1503, written below.

1. **Eliminate the tip credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage.** There is no good reason hard working people should earn a sub-minimum wage based on the type of work they do for a living.
2. **Mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by DBEDT** to ensure working families never again fall behind on being able to afford the basics.



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Executive Director

Other states have eliminated this sub-minimum wage for tipped workers and pay all of their workers the same minimum wage.

Research shows that higher wages are good for businesses, too. Between 2015 and 2018, the minimum wage in Hawai‘i increased by 39 percent while during the same period the unemployment rate in the state dropped and restaurants hired more servers. That's because higher wages improve worker morale, productivity and loyalty, which saves employers the costs of constantly hiring and training new people. And any extra money paid to minimum wage workers is plowed right back into local businesses, leading to positive ripple effects across our economy. As we rise out of this pandemic, we need to keep this in mind as well.

To provide a living wage to all workers in Hawai‘i, the Hawaii State Teachers Association asks your committee to **support this bill with suggested amendments.**

SB-2018

Submitted on: 1/23/2022 11:17:10 AM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
ellen benton	Individual	Oppose	No

Comments:

I strongly oppose this bill because it would negatively impact local businesses in Hawaii. Therefore, I urge you to defer this measure.

SB-2018

Submitted on: 1/23/2022 11:47:30 AM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Nikos Leverenz	Individual	Support	Yes

Comments:

Chair Taniguchi, Vice Chair Ihara, and Committee Members:

I am writing in strong support of this measure.

The coronavirus pandemic has taken a grave toll on the health and well-being of Hawaii families. A minimum wage increase will materially improve the condition of Hawaii's most under-resourced families. Many of these families have multiple members working in service sector jobs, with some working multiple jobs.

Given the persistently high cost of living in Hawaii, many families struggle to make ends meet on a month-to-month basis. Hawaii's wages have been historically low given the influence of concentrated wealth and geographic isolation. In recent decades decreasing union membership has produced downward pressure on wages.

In short, is important for the legislature to set a baseline that helps families more adequately meet hard economic realities.

Income is the foremost determinant of health. [As the American Public Health Association \(APHA\) notes](#), income shapes "access to basic needs and social determinants of health such as housing, education, and job opportunities. Women and people of color—many of whom provide for families—are more likely to earn low wages and therefore disproportionately experience the adverse health effects of poverty."

The APHA also provides that it is "necessary to recognize the role of structural racism in creating disproportionate representation of minorities within low-income populations." Last session, this Legislature declared that [racism is a public health crisis](#) via [HCR 112. Census income data indicate that Filipinx, Native Hawaiian, and other Pasifika communities have disproportionately lower incomes](#). Low minimum wages are especially harmful to immigrant families, including those in COFA migrant communities.

This bill should be revised to (1) reduce or eliminate the tip credit and (2) link future increases to inflation once the \$18 threshold is reached.

Mahalo,

Nikos Leverenz

SB-2018

Submitted on: 1/23/2022 12:03:58 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Bridget Reynolds	Individual	Oppose	No

Comments:

I strongly oppose this bill and urge you to defer this measure.

Respectfully,

Bridget Reynolds

SB-2018

Submitted on: 1/23/2022 12:14:58 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Laurie Field	Testifying for Planned Parenthood Alliance Advocates	Support	No

Comments:

Planned Parenthood Alliance Advocates stands in support of SB 2018 with amendments requested by Raise Up Hawaii. Thank you for hearing this important bill.

SB-2018

Submitted on: 1/23/2022 12:44:33 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Mari Ebersole	Individual	Support	Yes

Comments:

I am testifying in **strong support** of SB2018. It must pass to ensure the welfare of our community and to keep my generation living in Hawai'i. Far too often, we become displaced and are forced to leave Hawai'i because we simply cannot afford to live here. As a 19-year-old that was born and raised here, it remains one of my greatest fears that no matter how hard or many hours I work, I will not be able to afford to live in Hawai'i as an adult after college. It is absolutely essential that workers get paid fair wages that are in alignment with the rising cost of living in Hawai'i. If SB2018 passes, it is a tremendous relief knowing that the minimum wage will incrementally increase over the course of the next 4 years. In 2020, 42% (nearly half) of Hawaii's population fell under the ALICE or federal poverty index. This statistic shows the severe insecurity of our workforce. As the status of this insecurity has surely become exacerbated by the pandemic, we must increase the minimum wage now to support families so that they can afford basic necessities like food, housing, healthcare, transportation, and education, for a stronger and sustainable future in Hawai'i.

Although I support this bill, I would like to politely ask for two additional amendments.

1. Mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by DBEDT to ensure working families never again fall behind on being able to afford the basics.
2. Eliminate the tip credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage. Studies show that workers who are forced to survive off of the tips they earn are put at increased risk of sexual harassment and other forms of violence.

Mahalo for your consideration.

Eileen Cain
720 Mahi'ai St., Apt. E
Honolulu, Hawai'i 96826-5635
January 23, 2022

Senator Brian T. Taniguchi, Chair, Committee on Labor, Culture, and the Arts
Senator Les Ihara, Jr., Vice Chair,
Senator Stanley Chang,
Senator Jarrett Keohokalole,
Senator Kurt Fevella

I urge you to vote in favor of **SB2018: Relating to Minimum Wage**. Raising the minimum wage here in the islands is a necessity, not a luxury. It is long overdue. Hawai'i should not have an underclass of working poor people, as it does. It is cruel to make people live in poverty.

The minimum wage in any place should be commensurate with the cost of living there. In a place where the cost of living is the highest in the nation, the minimum wage needs to be commensurate with the cost.

It is unrealistic to expect even a single person to be able to support themselves on the current minimum wage. It is impossible to support one's family on the current minimum wage.

The cost of housing keeps rising. The low minimum wage here needs to be seen as one of the causes of homelessness. Where can local people afford to live?

Maintaining the current, low minimum wage would entail a certain hypocrisy -- would people who might oppose this bill be willing to live on Hawai'i's minimum wage themselves? Would they want their family members, their friends to live at this level?

People who are paid a living wage can spend more, helping to grow the local economy.

Please don't let Hawai'i people be priced out of our own islands. Young people need **hope** that they can live here and **thrive** here.

Hawai'i needs a **living** wage

Mahalo for your attention.

Eileen Cain

Eileen Cain,

Mō'ili'ili, Honolulu

SB-2018

Submitted on: 1/23/2022 1:37:01 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Wendy Gibson-Viviani	Individual	Support	No

Comments:

To: COMMITTEE ON LABOR, CULTURE AND THE ARTS

From: Wendy Gibson-Viviani RN/BSN

RE: SB2018 (In Support)

Hearing: Monday, January 24, 2022 at 3:00 pm via Videoconference.

Dear Senator Brian T. Taniguchi, Chair, Senator Les Ihara, Jr., Vice Chair and Honorable Members of the Committee,

I support SB2018, as it will be a huge first step towards achieving a living wage in Hawaii, for those who are paid minimum wage. I believe this will be beneficial because it will allow these folks to put more money back into the economy and enhance their quality of life. Some of these folks are workers who have been putting themselves at risk by working during the worst of the COVID-19 pandemic. It would be a nice way to thank them.

Thank you for your consideration of this important matter. I hope you will support SB2018.

Wendy Gibson-Viviani RN/BSN

Kailua. Oahu Resident x 29 years

SB-2018

Submitted on: 1/23/2022 1:53:58 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Esther Kim	Individual	Support	No

Comments:

TO: Senator Brian Taniguchi, Chair

Senator Les Ihara, Jr., Vice Chair

Committee on Labor, Culture, and the Arts

SB2018: Relating to Minimum Wage

Monday, January 24, 2022

3:00PM, Conference Room 225 & Video Conference

Aloha, I am Esther Kim and I am testifying in support of SB2018, relating to minimum wage, with amendments.

I am a social work student at the University of Hawaii at Manoa, and as a student committed to advocating for our most vulnerable, I can attest to how the current minimum wage has contributed to an increase in houselessness and food and housing insecurity which have led to detrimental mental and behavioral health impacts. As many research studies have shown, such as the Economic Policy Institute, the living wage is closer to \$20 per hour. Hawaii has one of the highest costs of living in the nation, and it is disappointing that we have an hourly minimum wage that does not equate to a minimum standard of living. It is even more disappointing that our essential workers who risked their health during the pandemic are those who are paid an unlivable wage.

I fully support the minimum wage being increased to \$18 by 2026, I do however urge you to consider including the removal of the tip credit. The food & beverage and hospitality industry's allowance to pay their employees sub-minimum wages creates an

environment in which workers have to tolerate inappropriate behavior from customers/patrons because their income is dependent on tips as they receive less than the minimum wage.

I urge you to vote in favor of SB2018 with the above amendment, and mahalo for tabling an important bill and the opportunity to testify.

Esther Kim

Estherk7@hawaii.edu

Committee on Labor, Culture, and The Arts
The Hawaii State Senate
415 S Beretania St.
Honolulu, HI 96813

Re: SB 2018 Testimony

January 23, 2022

Aloha Senator Taniguchi, Senator Ihara, and esteemed Committee on Labor, Culture, and The Arts,

My name is Erika Molyneux, and I am a resident of Kaneohe, HI and an instructor in the UH-Community College system. I am writing to supply comments to consider while deliberating Bill SB 2018 regarding raising the minimum wage.

In general, I support raising the minimum wage to help more of our community attain a livable wage and conditions, although I'm not sure I support raising these over \$15/hour in the near future. As I have always wondered whether predicted negative impacts of minimum wage increases have historically come to pass, this testimony gave me the opportunity to conduct research on the topic.

According to this [New York Times article](#) and [referenced study by the United States Government Accountability Office \(GAO\)](#), nationally, the gap between the wealthy and poor continues to grow, with the richest segment getting richer and the middle and low-income sectors stagnating, and essentially earning less when inflation is considered. The authors claim the wealth gap influences both current quality of life as well as typical life expectancy. [An earlier study published by the GAO](#), studying the economic impact of poverty suggested "that individuals living in poverty face an increased risk of adverse outcomes, such as poor health and criminal activity, both of which may lead to reduced participation in the labor market."

Upon a few simple web searches, I was able to learn that [Hawai'i has the highest cost of living](#), mostly due to housing and food costs, while we are [currently tenth in the Union for average and median wages](#). Businessmen commonly predict widespread job loss and inflation increases resulting from minimum wage increases. [A recent Washington Post Article](#) stated that even though "a recent report by the Congressional Budget Office that estimated that increasing the minimum wage to \$15 an hour by 2025 would cause 1.4 million Americans to lose their jobs," a broad range of data and studies throughout the United States reveals that most modest increases in the minimum wage up to about \$15/hour, has typically resulted in approximately the same number jobs being created those being lost. This means that, while some jobs may be lost, an equal number of higher-paying jobs are typically created, offering even young and unskilled workers the opportunity to make more livable wages. This same article *does* show slight overall job loss occurring at \$16/hour and higher minimum wages. Additionally, a [2019 article and commentary by the Economic Policy Institute](#), a Washington D.C. based non-partisan non-profit organization examined data to support the notion of raising the federal minimum wage to \$15/hour by 2024. It claims this increase would have almost exclusive positive outcomes without many of the detrimental effects largely feared by the business community and claims even inflation could be more effectively curbed by maintaining caution while raising interest rates.

In state rankings, California falls below Hawai'i in both cost of living (#4) and average and median wage level (#11). Still, California just increased the minimum wage to \$15/hour from the previous \$14/hour. By contrast our initial increase to \$12/hour by October, 2022 is minimal and overdue for our low-wage workers in our high-cost state.

Decreasing the wealth gap and supporting the quality of life for all citizens is in our state's best interest. If we want to raise the quality of life for all workers in our state, research suggests helping our most vulnerable populations rise out of poverty will decrease crime rates, increase overall health, well-being, and productivity levels, helping our economy and sense of community as a whole.

I believe a balanced approach of slowly incrementally increasing the minimum wage to \$15/hour by 2024 while also addressing the greatest causes of our high cost of living, housing and food cost, will be the best plans of action to help raise the quality of life for all our residents.

Thank you for your time and consideration!

Sincerely,

A handwritten signature in black ink, appearing to read 'Erika Molyneux', written in a cursive style.

Erika Molyneux



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HIPHI Initiatives

Coalition for a
Tobacco-Free Hawai'i

Community Health
Worker Initiative

COVID-19 Response

Hawai'i Drug & Alcohol Free
Coalitions

Hawai'i Farm to School Hui

Hawai'i Oral Health Coalition

Hawai'i Public Health Training Hui

Healthy Eating + Active Living

Kūpuna Food Security Coalition

Date: January 23, 2022

To: Senator Brian T. Taniguchi, Chair
Senator Les Ihara, Jr., Vice Chair
Members of the Committee on Labor, Culture and the Arts

Re: Support, with amendments, for SB 2018, Relating to Minimum
Wage

Hrg: January 24, 2022 at 3:00 PM via Videoconference

The Hawai'i Public Health Instituteⁱ is in **support of SB 2018 and offers an amendment**. SB 2018 increases the minimum wage to \$18 per hour by 2026.

Increasing the minimum wage can affect health by improving income and food security, decreasing stress, improving nutrition, increasing housing stability, and more. Communities of residents with higher incomes are likely to have better housing, food access, schools, recreational amenities, and tend to be safer – all of which impact health. Income is also associated with other factors that create the opportunity to be healthy, such as employment opportunities, reduced environmental contamination, and greater transportation options.

Health improves with increasing income, and the impacts of a rise in income are greatest for those at the lowest end of the wage scale. Research shows that those who move out of the lowest income level to the next receive the greatest percentage increase in life expectancy and health status. This means that a family living on minimum wage realizes greater health benefits from an increase in salary than a middle-class family receiving the same raise.

Minimum wage workers are critical to our economy, but with Hawai'i's current minimum wage at \$10.10/hour, they are falling further and further behind in their ability to make ends meet. The Department of Business, Economic Development & Tourism (DBEDT) estimated that a single person with no children in Hawai'i needed to earn \$17.63 an hour to "meet their basic needs" in 2020ⁱⁱ, and MIT's updated living wage calculatorⁱⁱⁱ estimates that a single adult in Hawai'i needs to earn **\$19.43/hour** to meet their most basic needs.

Hawai'i workers need a raise to build economic opportunity and a better future for our families.

To further improve health outcomes for minimum wage workers, we request that the bill be amended to include automatic cost of living adjustments, and for the tip credit to be eliminated.

Thank you for the opportunity to provide testimony.

Mahalo,



Amanda Fernandes, JD
Policy and Advocacy Director

ⁱ Created by the legislature in 2012, the Obesity Prevention Task Force is comprised of over 60 statewide organizations, and works to make recommendations to reshape Hawai'i's school, work, community, and health care environments, making healthier lifestyles obtainable for all Hawai'i residents. The Hawai'i Public Health Institute (HIPHI) convenes the Task Force and supports and promotes policy efforts to create a healthy Hawai'i.

Hawai'i Public Health Institute is a hub for building healthy communities, providing issue-based advocacy, education, and technical assistance through partnerships with government, academia, foundations, business, and community-based organizations.

ⁱⁱ Department of Business, Economic Development and Tourism. SELF-SUFFICIENCY INCOME STANDARD Estimates for Hawaii 2016. December 2017.

ⁱⁱⁱ Glasmeier, Amy K. Living Wage Calculator. 2020. Massachusetts Institute of Technology. 2020-2021 update. livingwage.mit.edu.



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TO: Committee on Labor Culture and Arts
Senator Brian T. Taniguchi, Chair
Senator Les Ihara, Jr., Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: January 24, 2022
TIME: 3pm
PLACE: Via Videoconference

RE: SB2018 Relating to Minimum Wage

Position: Comments

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, and distributors of food and beverage related products in the State of Hawaii.

HFIA offers comments on this measure. HFIA strongly supports the intent of this measure to help working families, we believe the most common-sense way to improve the cost of living for all Hawaii families is to remove the GET from groceries and other necessities. Taxing groceries is the most regressive way to tax. We support the provisions of this measure to increase the food excise tax credit and make it more functional for those who are hit hardest by our state's regressive food taxes.

While business organization typically prefer to allow the market to set wage rates, we understand that the government is also under pressure to address the minimum wage. We appreciate the legislature's consideration of our business community's major concerns:

- 1) Hawaii is consistently ranked one of the worst states in the US to do business.
- 2) Hawaii employers shoulder the burden of paying full medical insurance coverage, this is a very costly mandate which should be considered when looking at the minimum wage.

- 3) The minimum wage is not intended to set a living wage. It is intended to allow for workforce training of unskilled labor.
- 4) Employers can and do pay skilled labor well above the minimum wage and will continue to do so with or without legislation changing the minimum wage.

As the legislature is aware an excessively high minimum wage is detrimental to small businesses, particularly those in small or rural island communities because they are less able to absorb the additional cost. When wages get too high many small business owners are forced to fire employees and work shifts without paying themselves wages. Other businesses that can't meet increased labor costs may be forced to close. Hawaii businesses are already facing a labor shortage and employees are in a good position to command high wages without government intervention.

Increasing the cost of labor can have wide ranging impacts on consumers as well. As we all know Hawaii residents already pay substantially more than many other states for food. With inflation at historic levels prices have gone up significantly in the past year. The U.S. Commerce Department Bureau of Economic Analysis lists Hawaii as having the second largest regional price parity¹ (RPP) in the US². Likewise, the Council for Community and Economic Research cites Hawaii's cost of living as 83.8%³ higher than the national average, just below New York (Manhattan), New York (second quarter of 2015).

Profit margins are already quite sparse for grocers and restaurants in our State. When labor costs increase businesses are forced to make adjustments in other areas. This can mean things like reducing capital investment in their businesses, hiring of fewer employees, potentially laying off employees, which in turn would mean requiring remaining workers to do more and/or raising prices on goods and services. As the Washington Examiner points out, "(I)f customers must spend ... more on one thing, they will have less to spend on another, which can cause job losses."⁴

A correlation between prices and minimum wage increases has been documented. A report from William Blair, a global investment banking and management firm, concluded that when San Francisco's minimum wage increased 14% from \$10.74 to \$12.25 per hour⁵ (May 1, 2015), prices at Chipotle increased proportionately. According to the report:

¹ The RPP measure the differences in the price levels of goods and services across states and metropolitan areas for a given year. It is calculated using price quotes for a wide array of items from the CPI, which are aggregated into broader expenditure categories (such as food, transportation, or education) (see footnote 2 for source).

² US Dept of Commerce, Bureau of Economic Analysis. *Real Personal Income for States and Metropolitan Areas, 2013*. Washington, DC, 2015. https://www.bea.gov/newsreleases/regional/rpp/rpp_newsrelease.htm (accessed Oct. 7, 2015).

³ The Council for Community & Economic Research. *Cost of Living Index*. Arlington, VA, 2015. <https://www.coli.org/ReleaseHighlights.asp> (assessed Oct. 9, 2015).

⁴ Emilie Padgett, *Study: Minimum Wage Hike Boosted Price of Chipotle Burritos*, Washington Examiner, July 7, 2015. <http://www.washingtonexaminer.com/at-chipotle-increase-in-minimum-wage-means-pricier-burritos-study/article/2567752> (accessed Oct. 6, 2015).

⁵ City & County of San Francisco Office of Labor Standards Enforcement. *Minimum Wage Ordinance*. San Francisco, CA, 2015. <http://sfgsa.org/index.aspx?page=411> (accessed Oct. 9, 2015).

All of the Chipotles in the area saw an "across-the-board" price increase. The hike included the chicken, pork, tofu and vegetarian prices, all of which increased 10 percent. The cost of steak and barbacoa rose 14 percent.

The price increases at Chipotle potentially suggest what is to come for Hawaii consumers and businesses. If the Chipotle model indicates the consequences of raising the minimum wage by 14% to \$12.25 in San Francisco, we need to be mindful of the impact on local jobs and prices from a 34% increase, as is being proposed in this bill.

Food retailers generally operate at a profit margin of around 1%, and it is not easy to quickly adjust to increases in costs.

With the current minimum wage at \$10.10 an hour an increase to \$18 is an almost 80% increase over just a few years.

We believe that an increase to \$15 enacted incrementally would accomplish the goals of this measure while minimizing some of the worst negative impacts on local consumers and businesses. Here is an example of a schedule that would lessen the negative impact on small local businesses which will be disproportionately injured by a rapid increase in the minimum wage:

**\$11/hr on 1/1/23
\$12/hr on 1/1/24
\$13/hr on 1/1 25
\$14/hr on 1/1/26
\$15/hr on 1/1/27**

Again, thank you for putting forward a thoughtful proposal that keeps in mind the concerns of employers and employees. We appreciate your continued attention to all the consequences of increasing labor costs in our State, and we thank you for the opportunity to provide testimony.



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TESTIMONY IN SUPPORT OF SB 2018: RELATING TO THE MINIMUM WAGE

TO: Committee Chair, Vice-Chair and Committee Members
FROM: Brandee Menino, CEO, Hope Services Hawai'i, Inc.
Hearing: LCA, 1-24-22 at 3:00

Aloha,

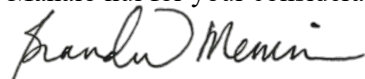
My name is Brandee Menino and I am the CEO of HOPE Services Hawai'i, which is the largest provider of houseless services on Hawai'i Island.

The State of Hawai'i currently has the highest cost of living in the United States, but nearly half of our families struggle to make ends meet. In our work, we deal with the consequences of low wages every day, as more and more of our neighbors are priced out of their homes. This is why I am in **strong support** of SB 2018, which would increase the minimum wage to \$18 by 2026. Although passing this bill would be a step in the right direction, we strongly recommend amendments to 1) eliminate the tip credit, and 2) tie the minimum wage to future cost of living increases.

The implications of our current inadequate minimum wage leave lasting negative consequences throughout many different facets of our society. To provide a realistic narrative of what this looks like: in 2021, the housing wage was estimated at \$37.69/hr to afford rent for a 2-bedroom apartment. However, the current minimum wage at \$10.10 is less than half that amount. At this rate, individuals earning the minimum wage would need to work 114 hours per week in order to afford a 2-bedroom rental apartment. A client of HOPE Services Hawai'i in Kailua, Kona recounted his family's challenges with affording rent: A husband and father providing for his wife and 3 kids labored at two part-time jobs **and** a full-time job in order to pay the bills. After leaving one of his jobs, he could no longer afford the rent and his family was nearly evicted. Despite being employed full-time, he was still unable to overcome the discrepancy that lies between the minimum wage and the housing wage. HOPE Services was able to assist them with their rental payments, and he shared, "Because of HOPE Services, we still have a roof over our heads."

Although we help where we can, we cannot do this alone. We need your support to keep our local residents housed, and give our keiki the opportunity to continue to call Hawai'i home. Please pass SB 2018 with amendments.

Mahalo nui for your consideration.


Brandee Menino
CEO, HOPE Services Hawai'i

JOIN OUR COMMUNITY



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*Office Manager & Program
Support*

Corin Thornberg

Project Associate

Date: January 23, 2022

To: Senator Brian T. Taniguchi, Chair, Senator Les Ihara Jr., Vice-Chair, and members of the Committees on Labor, Culture, and the Arts

From: Brent Kakesako, Hawai'i Alliance for Community-Based Economic Development (HACBED)

Re: Support for SB 2018 with amendments

Aloha Chair Taniguchi, Vice-Chair Ihara, and Committee Members,

The Hawai'i Alliance for Community-Based Economic Development (HACBED) supports SB 2018, with amendments, which increases the minimum wage to \$12 per hour beginning October 1, 2022, \$15 per hour beginning November 1, 2024, and \$18 per hour beginning January 1, 2026. We ask that the bill be improved to mandate subsequent minimum wage increases after 2026 indexed to annual minimum self-sufficiency calculation made by the Department of Business, Economic Development and Tourism (DBEDT) and eliminate the tip credit.

HACBED was established in 1992 as a nonprofit statewide intermediary to address social, economic, and environmental justice concerns through community-based economic development and asset building strategies. It advances its mission with core competencies in the areas of community and organizational capacity building, community and economic development planning, and asset policy development and advocacy. HACBED played a facilitating role in the State Asset Policy Task Force and was a key contributor to the State Asset Policy Road Map. HACBED also facilitated the Family & Individual Self-Sufficiency Program (FISSP), which administers the Internal Revenues Services' Volunteer Income Tax Assistance (VITA) program as a part of its larger asset building and financial education initiatives for families in Hawai'i. As such, HACBED supports the proposed bill with amendments, that would provide an incremental increase in the minimum wage to support working families while supporting local businesses with an easier transition.

Through HACBED's efforts with providing VITA services, we have heard countless stories of the importance that a stable wage provides. SB 2018 and the requested amendments would increase our state's minimum wage to \$18 by 2026, mandate subsequent minimum wage increases after 2026 indexed to the annual minimum self-sufficiency calculation made by DBEDT, and eliminate the tip credit to support families in better making ends meet while increasing purchasing power that would support local businesses across the state.

Mahalo for this opportunity to testify,

Brent N. Kakesako

Executive Director

Hawai'i Alliance for Community-Based Economic Development

SB-2018

Submitted on: 1/23/2022 2:57:38 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
John Witeck	Testifying for Hawaii Workers Center	Support	No

Comments:

The Hawaii Workers Center is grateful that Senator Brian Taniguchi has sponsored this bill and has scheduled an early hearing. We were deeply disappointed at the end of the last session to see that a very necessary increase in the minimum wage was sidelined at a time when so many workers were greatly hurting.

The pandemic has created great difficulties for so many workers and our families and today we are witnessing substantial inflation. We see that so many individuals and families can no longer afford to live in Hawaii given the very high cost of living and the constantly rising cost of housing with no relief in sight.

Although we support this bill in general, we would like to suggest a few amendments. As of this October, we favor the state's raising the minimum wage to \$15/hr rather than just \$12/hr to match what a good many states and cities on the continent have already done. We urge raising it to \$18 an hour by July 2023, and to \$21 an hour by July 2024. We urge that the minimum wage be set at \$25/hr by July 2025.

Smaller and more protracted incremental hikes in the minimum wage will not address the crisis workers and their families are facing now in trying to make ends meet. Also, small hikes in the minimum wage will not entice workers to return to or remain in low-wage jobs especially if they must work 2, 3 or 4 jobs just to get by.

In Hawaii, there are now some major employers who have had to raise their starting wage to \$15 to \$18 to attract workers. A hike to just \$12 an hour this October will not make much of a difference. We say \$25 an hour by 2025 should be the minimum and that would be closer to what can be called a living wage in high-cost Hawaii.

Also, please eliminate tip credit since employers use this exception to deny workers the mandated minimum wage. It makes employees' well-being dependent on gratuities and the generosity of customers. And establishments further abuse the system by requiring customers to pay a mandatory gratuity which only swells the profits of the business owners. Gratuities should be paid voluntarily, and in appreciation of good service, and

not as a mandate, and definitely not to compensate for the employers' stinginess in paying wages.

Please also ensure that no hike in the minimum wage will lead to reductions in other income or benefits that low-wage workers may be receiving to support their families.

Mahalo for considering our testimony about what is really needed.

Aloha,

John Witeck, for the Hawaii Workers Committee



January 23, 2022

RE: SB 2018 RELATING TO MINIMUM WAGE

Dear Chair Taniguchi and the Senate Committee on Labor, Culture and the Arts,

The Kona-Kohala Chamber of Commerce brings together the business community as a strong, united voice to address key issues in our community, on our island and in our state. With 430 member businesses and organizations, we exist to provide leadership and advocacy for a successful business environment in West Hawai'i.

The Kona-Kohala Chamber of Commerce strives to enhance the quality of life for our community through a strong, sustainable economy on Hawai'i Island. We know that Hawai'i's high cost of living adversely impacts our local residents. We understand that minimum wage legislation is introduced as a way to address this issue. However, we must also examine the cost of doing business and how this legislation impacts businesses that pay wages and provide jobs.

The minimum wage increases presented in SB 2018 are simply too much too soon. The first increase goes from the current rate of \$10.10 to \$12 per hour on October 1, 2022. In four short years, this legislation calls for an 80% increase to \$18 per hour! This timeline is not reasonable. Businesses are struggling with multiple issues now and into the foreseeable future due to the lingering pandemic, labor shortages at all levels, increased costs, and supply chain disruptions. For those businesses that do pay minimum wage, this hike would be disastrous.

For these reasons, the Kona-Kohala Chamber of Commerce **opposes SB 2018** Relating to Minimum Wage.

We appreciate that legislators aim to address Hawai'i's high cost of living. We ask that you examine an alternative approach such as finding ways to increase the inventory of affordable workforce housing.

Mahalo for this opportunity to testify.

Sincerely,

A handwritten signature in black ink that reads "Wendy J. Laros". The signature is written in a cursive, flowing style.

Wendy J. Laros, President and CEO
Kona-Kohala Chamber of Commerce

SB-2018

Submitted on: 1/23/2022 2:59:54 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Mary Lacques	Individual	Support	No

Comments:

Mahalo Chair Taniguchi for introducing SB2018, a long overdue minimum wage increase proposal. I am in strong agreement with Raise Up Hawai'i that these two amendments should be included:

1. Mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by DBEDT to ensure working families never again fall behind on being able to afford the basics.
2. Eliminate the tip credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage. Studies show that workers who are forced to survive off of the tips they earn are put at increased risk of sexual harassment and other forms of violence. There is no good reason hard working people should earn a sub-minimum wage based on the kind of work they do for a living.

SB-2018

Submitted on: 1/23/2022 3:00:04 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Marc D Godt	Individual	Oppose	No

Comments:

ALOHA

SUBJECT: OPPOSE SB2018 - OPPOSE INCREASE in Minimum Wage

While it may appear to be a good thing to legislate increases in wages, in reality it will only continue to distort an already tight labor market. Everywhere you look, you will find that the free market has already driven up wages higher than the minimum. Competition for quality employees in the marketplace is the best method for wages to increase.

While it may not happen immediately, the efficient market hypothesis always works. Minimum is an entry level / low-skilled wage. Anyone with drive, determination, a good work ethic, and increased experience will move up the wage ladder.

History and countless studies prove that increases in minimum wage result in increased job losses. While it is true that some will get a raise, it is also true that others will go from earning a wage to receiving unemployment.

We all worked for minimum wage at some point. I started at \$3.35 per hour. And now, my son, a high school senior, has his first job. He is well on his way to learning valuable skills and developing a work ethic that will serve him throughout his life. He has already moved up in position and wage and has opened up a new entry level position for the next person.

Our community and our future depend upon the availability of entry level jobs. Allow the free market to work and it will benefit the most of our State.

Respectfully Submitted

Marc D Godt

maui



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai‘i Appleseed Center for Law and Economic Justice
In Support with Amendments of SB 2018 – Relating to the Minimum Wage
Senate Committee on Labor, Culture and the Arts
Monday, January 24, 2022, at 3:00 PM via Videoconference

Dear Chair Taniguchi, Vice Chair Ihara, and members of the Committee:

Thank you for the opportunity to provide testimony in **SUPPORT of SB 2018**, which would increase our state’s minimum wage to \$18 by 2026.

Financial insecurity directly affects how much families can buy at local businesses. Consumer spending contributes nearly 70 percent to economic growth.ⁱ Especially with a drop in spending by consumers from out-of-state, raising the minimum wage is a method to maintain consumer demand and support economic growth.

Research shows that increasing minimum wage increases spending,ⁱⁱ putting money right back into local stores and restaurants. Raising the minimum wage helps keeps money in our state, by directing them at the wallets of local workers, rather than out-of-state corporate headquarters and stockholders.

The last time Hawai‘i’s minimum wage earners got a raise – to \$10.10 an hour – was January 1, 2018. They already have been stuck at that level – **\$21,000 a year for full-time work** – for more than 4 years.

At that time, \$10.10 was nowhere near enough to cover a person’s most basic living costs. According to the Hawai‘i Department of Business, Economic Development and Tourism (DBEDT), a Hawai‘i single Hawai‘i worker with no children would have needed to earn over \$35,000 a year (nearly \$17 an hour).

After accounting for four years of inflation, the DBEDT figure—already on the low end of cost-of-living calculators (e.g., compared to ALOHA United Way’s ALICE Reportⁱⁱⁱ or MIT’s Living Wage Calculator^{iv})—would not be at nearly \$39,000 (\$18.65 an hour).

Low-income workers, already far behind where they needed to be to cover their basic living costs, have continued to lose ground. A significant, immediate increase to the minimum wage is both sorely needed and long overdue. **SB 2018 will narrow the gap between wages and basic living costs, helping create a more sustainable economy for all residents.**

Hawai‘i’s current minimum wage is already lower than in the other highest cost-of-living states. Twenty-one states already have higher minimum wages than Hawai‘i, including relatively low cost-of living states such as Missouri, which has a cost of living nearly half of our own.^v

We should feel confident that **raising the wage will not harm the job market** in our state. DBEDT recent study of past minimum wage increases in Hawai‘i finds that there were few effects on our state’s labor market.^{vi} In fact, during our most recent period when the minimum wage rose, between 2015 and 2018, our state’s unemployment rate dropped by 52 percent, to record lows, and the number of restaurant server jobs rose by 32 percent.^{vii}

The Hawai‘i Appleseed Center for Law and Economic Justice is committed to a more socially just Hawai‘i, where everyone has genuine opportunities to achieve economic security and fulfill their potential. We change systems that perpetuate inequality and injustice through policy development, advocacy, and coalition building.

To improve what is already a tremendous proposed step forward for Hawai‘i’s minimum wage, we suggest two amendments: (1) indexing the minimum wage to inflation after it reaches the \$18 mark (following the lead of 18 other states that have already done the same); and (2) eliminating the tip credit.

Thank you for considering this testimony and our suggested amendments. Boosting minimum wage is key to helping ensure that working families can make ends meet. Without such an increase, working-age people in Hawai‘i will continue to struggle. As their struggles increase, and more and more will move to places where they can afford to live, damaging Hawai‘i’s economy and future. By investing in our people, we can build a stronger Hawai‘i.

ⁱ Federal Reserve Bank of St. Louis. "Shares of Gross Domestic Product: Personal Consumption Expenditures." Accessed January 23, 2022. (<https://fred.stlouisfed.org/series/DPCERE1Q156NBEA>)

ⁱⁱ <https://www.epi.org/blog/raising-the-minimum-wage-to-15-by-2025-will-restore-bargaining-power-to-workers-during-the-recovery-from-the-pandemic/>

ⁱⁱⁱ <https://www.auw.org/alice-study-financial-hardship-hawaii>

^{iv} <https://livingwage.mit.edu/states/15>

^v www.epi.org/minimum-wage-tracker

^{vi} <https://www.civilbeat.org/2020/03/minimum-wage-hikes-have-had-little-long-lasting-effect-on-business/>

^{vii} <https://tinyurl.com/RUHquickfacts2020>



Testimony to the Senate Committee on Labor, Culture and the Arts
Senator Brian Taniguchi, Chair
Senator Les Ihara, Vice Chair
January 24, 2022, 3:00 p.m.
Via Videoconference
SB 2018, Relating to Minimum Wage

Dear Chair Taniguchi, Vice Chair Ihara and Members of the LCA Committee:

On behalf of the Hawai'i Alliance of Nonprofit Organizations (HANO), I would like to express our support for **SB 2018, Relating to Minimum Wage**.

HANO is a statewide, sector-wide professional association of nonprofits. Our mission is to unite and strengthen the nonprofit sector as a collective force to improve the quality of life in Hawai'i. Our member organizations provide essential services to every community in the state.

HANO polled its nonprofit members on the topic of minimum wage, and nearly 91% of respondents said HANO should support minimum wage increase legislation. Respondents represented a diverse cross section of nonprofits, varying in organization/budget size, island and mission. HANO recognizes that to effectively carry out its missions, nonprofit organizations must pay its employees a livable wage. As one respondent simply stated, "It's a matter of prioritizing people first. Without them the organization would not be able to accomplish our strategic goals."

Furthermore, the nonprofit sector shares the goal of improving our broader community. Many of our nonprofit organizations service people with needs stemming from poverty and systemic inequity. Living wages are necessary to ensure Hawaii's families can thrive and lessen the need for publicly funded services.

For these reasons, HANO supports efforts to increase the minimum wage.

We note that some State contracts with nonprofits for the provision of services to the community have not kept up with increasing wage costs over the years. Similar to ensuring a livable wage for residents, we hope that funders of nonprofit services, in both the executive and legislative branches, acknowledge the need to reflect realistic labor costs in contracts and payments so that nonprofit providers can continue to deliver the same level of quality services.

Thank you for the opportunity to provide written testimony.

Mahalo,

Lisa Maruyama
President and CEO

SB-2018

Submitted on: 1/23/2022 3:33:50 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Roman Leverenz	Individual	Support	No

Comments:

Although I am submitting this testimony as a private citizen, I am on the Board of Directors of The Legal Clinic, which provides free or low-cost legal assistance to our immigrant community.

I feel that the proposed increase in the state's minimum wage will benefit this above-mentioned group of individuals enormously and is needed to make Hawaii a little more affordable. This particular minimum wage increase is a good start in helping Hawaii become a little more equitable in terms of how this country's great wealth is distributed - along with the earned income tax credit.

I would like to see Hawaii become a national leader in the amount of our minimum wage, especially in the light of how expensive it is to live in Hawaii. It is my belief that this increase will benefit many and will be something that our business community can absorb and adjust to. If we have to pay a little more to go out to eat that just might be the price we have to pay to help out our working poor. It is a way of putting our shared cultural value of Aloha into practice.



Randy Perreira
President

HAWAII STATE AFL-CIO

888 Mililani Street, Suite 501 • Honolulu, Hawaii 96813

Telephone: (808) 597-1441
Fax: (808) 593-2149

The Thirty-First Legislature, State of Hawai'i
Hawai'i State Senate
Committee on Labor, Culture and the Arts

Testimony by
Hawai'i State AFL-CIO
January 24, 2022

S.B. 2018 – RELATING TO MINIMUM
WAGE

The Hawai'i State AFL-CIO is a state federation of 74 affiliate local unions and councils with over 68,000 members across both public and private sectors. We appreciate the opportunity to testify in strong support of S.B. 2018.

While we strongly support an increase in the minimum wage, we acknowledge that a mere increase from \$10.10 to \$12 in October does not go far enough, fast enough to bolster Hawai'i's most economically vulnerable. Many private employers are already paying up to \$15 per hour as well as cash bonuses to attract and retain employees. This shows that the labor market dictates a higher wage of \$15 per hour as evidenced by what employers are now paying. At this time, any raise to the minimum wage should at least match the community-driven wage of \$15 per hour.

We appreciate your consideration of our testimony and strongly urge passage of S.B. 2018.

Respectfully submitted,

Randy Perreira
President

RP/dd



Randy Perreira
President

HAWAII STATE AFL-CIO

888 Mililani Street, Suite 501 • Honolulu, Hawaii 96813

Telephone: (808) 597-1441
Fax: (808) 593-2149

December 29, 2021

SENT VIA EMAIL

RE: Living Wage

Aloha State Legislators:

It is an understatement to say that the cost of living in Hawai'i has outpaced the increases in Hawai'i's minimum wage. After four consecutive increases between 2015–2018, the minimum wage now sits at \$10.10 per hour.¹ When adjusted for cost of living, \$10.10 is worth \$4.98 in the nation.² Cities with comparably high costs of living also have higher minimum wages.³ Drastic measures need to be taken to reduce the outflow of Hawai'i's workers who are lured away to cities with significantly lower costs of housing, utilities, transportation, and health care.⁴

The Hawai'i State AFL-CIO supports passage of a Living Wage Statute that increases the minimum wage to \$18 per hour. A living wage takes into consideration the cost of living in Hawai'i, which includes housing, child care, food, transportation, health care, internet access, and taxes.⁵ The \$18 wage is above the \$17.15 per hour *survival* budget for a single senior, and below the *stability* budget of \$25.49 per hour for a single adult.⁶ Raising the hourly minimum wage to \$12 would affect about 15% of workers, and raising it to \$18 would affect at least 36% of workers.⁷ The direct impact on these workers would either be to receive a raise, or to be laid off.⁸

Many of our union workers are not in low-wage occupations, however, we are committed to advocating for all Hawai'i's workers to earn a living wage. We acknowledge the complexity of this issue and emphasize that the underlying goal is to put more money into workers' pockets. We look forward to the 2022 Legislative Session and to the enactment of a Living Wage Statute that enables low-wage workers to do more than barely survive in this economy.

Sincerely,

Randy Perreira

Endnotes

¹ Minimum Wage and Overtime, <https://labor.hawaii.gov/wsd/minimum-wage/> (last visited Dec 6, 2021).

² Wayne C. Liou, *The Minimum Wage in Hawai‘i: Labor Market Impacts*, 3-4, https://files.hawaii.gov/dbedt/economic/reports/Minimum_Wage_Report.pdf (last visited Oct 7, 2021): When adjusted for cost of living, the minimum wage of \$10.10 per hour in Hawai‘i is comparable to a wage of \$8.04 per hour in Seattle, Washington, which has a minimum wage of \$15 per hour.

³ Id.: “While Manhattan and San Francisco have higher costs of living, they also have higher minimum wages; a minimum wage comparable to \$10.10 in Honolulu for Manhattan (\$12.78) and San Francisco (\$10.21) would be lower than the minimum wage in those cities.”

⁴ Cost of living: How far will my salary go in another city?, CNNMoney, <https://money.cnn.com/calculator/pf/cost-of-living/index.html> (last visited Dec 6, 2021).

⁵ ALICE Project – Hawaii, <https://www.unitedforalice.org/Hawaii> (last visited Dec 6, 2021).

⁶ ALICE Project – Hawaii, , <https://www.unitedforalice.org/household-budgets/hawaii> (last visited Dec 6, 2021).

⁷ Wayne C. Liou, *The Minimum Wage in Hawai‘i: Labor Market Impacts*, 20, https://files.hawaii.gov/dbedt/economic/reports/Minimum_Wage_Report.pdf (last visited Oct 7, 2021): “Estimates of how many workers would be directly affected by future increases to the minimum wage find that increasing the minimum wage to: \$12 would affect 15% of workers; \$15 would affect 28% of workers; \$17 would affect 36% of workers; and \$20 would affect 48% of workers.”

⁸ Id.: “These workers would be directly affected by a higher minimum wage because their current wage falls below the new minimum wage; these workers would either receive a raise or be laid off. Increasing the minimum wage would have a larger effect among low-wage occupations, females, younger workers, workers with lower family income, and workers with less education.”

Wage Floor for Federal Workers Getting Boost to \$15 an Hour

By Rebecca Rainey 2022-01-21T10:57:47000-05:00

- Biden says move will keep government competitive
- Jan. 30 deadline for federal agencies to implement

The Biden administration directed federal agencies to pay their employees at least \$15 an hour, giving a pay boost to 67,000 federal workers in field offices across the country.

Agencies will have until Jan. 30 to implement the pay increase, according to a [guidance document](#) from the Office of Personnel Management released Friday.

The announcement from the OPM acts [on an executive order](#) President Joe Biden issued in January 2021, directing the office to provide recommendations “to promote” a \$15 hourly minimum wage for federal employees. The hourly federal minimum wage now is \$7.25, although many federal workers are in one of the 30 states that have raised local minimum wages above that rate.

The pay increase will largely affect workers at the Department of Defense, according to OPM, where over 56,000 workers will be due for a raise under the change.

The Biden administration said the pay bump will help ensure federal employees have a “pathway to the middle class” and set a “high bar” for other employers to follow.

“As the largest employer in the country, how the federal government treats its workforce has real impact,” Kiran Ahuja, director of the OPM, said in a statement. “Increasing pay rates to at least \$15 per hour will keep the federal government competitive in the marketplace and is another way that we can serve as a model employer.”

The Biden administration’s move to set a \$15 wage floor for federal employees follows a recent rule from the U.S. Labor Department setting a [\\$15 minimum wage for federal contractors](#) that also will take effect Jan. 30.

While Biden campaigned on raising the federal minimum wage to \$15, [Democrats were unable to](#)

include a measure to boost the federal rate in their last coronavirus rescue package.

One of the largest unions representing federal employees said the pay raise for federal employees delivered on Biden's campaign promise to be the most pro-worker president in U.S. history.

"For the tens of thousands of workers who will start seeing more money in their paychecks each week, this is a transformative policy choice that will improve their everyday lives," American Federation of Government Employees National President Everett Kelley said in a statement.

He noted that because a large share of federal workers live outside of Washington, D.C., "it is hard to imagine a single action that could have a more significant positive impact on all American workers' paychecks beyond raising the federal minimum wage itself, which would take an act of Congress."

To contact the reporter on this story: Rebecca Rainey at rrainey@bloombergindustry.com

To contact the editor responsible for this story: Martha Mueller Neff at mmuellerneff@bloomberglaw.com

Related Articles

[Federal Contractor Pay of \\$15 Per Hour Cemented by New DOL Rule](#)

[Biden Axes Trump Federal Sector Labor, Special Hiring Orders \(2\)](#)

[Spillover From Biden's \\$15 Contractor Wage Hike? Experts Differ](#)

Related Documents

[OPM guidance](#)



Eric W. Gill, Financial Secretary-Treasurer

Gemma G. Weinstein, President

Godfrey Maeshiro, Senior Vice-President

Monday, January 24, 2022

Senate Committee on Labor, Culture & the Arts
Hawaii State Legislature
415 South Beretania Street
Honolulu, HI 96813

Re: SB 2018 relating to minimum wage

Chair Taniguchi and Members of the Committee,

UNITE HERE Local 5 – a local labor organization representing nearly 12,000 hotel, health care and food service workers throughout Hawaii would like to offer comments in support of SB 2018 with three friendly amendments.

While we appreciate the Senate hearing SB 2018, we would ask that the Committee move the amend SB2018 so that Hawaii can match other states, cities and private businesses in raising our minimum wage to \$15 immediately. We would also ask that the Committee repeal Hawaii's tip credit while indexing future yearly increases to Hawaii's minimum wage after 2026 to CPI.

Thank you for your consideration.

Mahalo.

TESTIMONY BEFORE THE SENATE COMMITTEE ON
LABOR, CULTURE AND THE ARTS

RE: SB 2018 - RELATING TO MINIMUM WAGE

MONDAY, JANUARY 24, 2022

MITZIE HIGA, LEGISLATIVE CHAIR
DEMOCRATIC PARTY OF HAWAII LABOR CAUCUS

Chair Taniguchi and Members of the Committee:

The Democratic Party of Hawaii Labor Caucus **supports SB 2018, with the suggested amendments**, relating to minimum wage.

Mahalo for introducing a strong minimum wage increase bill that brings the state minimum wage up to \$18 by the year 2026. After years of inaction on this issue, Hawai'i's working families are in need of a rapid and bold wage increase to keep them from slipping through the many widening cracks in our economic system. **I strongly support** passage of this bill and applaud the committee chair for introducing this measure.

We would, however, politely request two amendments to the bill, the language for which can be borrowed from HB 1503:

1. Mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by DBEDT to ensure working families never again fall behind on being able to afford the basics.
2. Eliminate the tip credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage. Studies show that workers who are forced to survive off of the tips they earn are put at increased risk of sexual harassment and other forms of violence. There is no good reason hard working people should earn a sub-minimum wage based on the kind of work they do for a living.

To provide a living wage to all workers in Hawaii, the Labor Caucus asks your committee to **support** this bill, **with suggested amendments**.

SB-2018

Submitted on: 1/23/2022 6:02:47 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
laura Ramirez	Individual	Support	No

Comments:

Aloha,

We all have known for a long time that the hardworking people of Hawai'i deserve and need an increase in minimum wage! Hawai'i is one of the most expensive places in the US to live. The cost of housing, food, gas, electricity, and basically everything shipped in is exorbitant. Most people need to work more than 1 job and families like mine squeeze together to share expenses. This bill is a good step in the right direction, but after waiting for 3 years it should be boosted forward a bit to \$15/hour immediately, then \$18/hour by 2024 and \$20/hour by 2026.

The following amendments should also be made:

1. Mandate subsequent annual Minimum Wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by DBEDT to ensure working families never again fall behind on being able to afford the basics.
2. Eliminate the Tip Credit which is a harmful policy that allows some business owners to pay their workers a sub-minimum wage. Studies show that workers who are forced to survive off of the tips they earn are at increased risk of being taken advantage of and sexual harassment.

Mahalo for moving Hawai'i forward and out of poverty!

SB-2018

Submitted on: 1/23/2022 6:46:34 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Susan Pcola_Davis	Individual	Support	No

Comments:

SB2018

How generous to raise the minimum wage for employees. What about 2023 and 2025? I actually support increases over what this measure supports. \$10.10 was way too low through COVID and the botched Unemployment Department.

Here's what I support to give our families a fighting chance!

\$15.00 per hour beginning October 1, 2022;

\$16.00 per hour beginning October 1, 2023;

\$17.00 per hour beginning January 1, 2024;

\$18.00 per hour beginning January 1, 2025; and

\$19.00 per hour beginning January 1, 2026."

Unlike this measure supporting the following;

\$12.00 per hour beginning October 1, 2022;

\$15.00 per hour beginning January 1, 2024; and

\$18.00 per hour beginning January 1, 2026."

SB-2018

Submitted on: 1/23/2022 7:45:34 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Carol D. Yokoyama	Individual	Oppose	No

Comments:

Aloha,

I strongly oppose this bill and urge you to defer this measure.

Please consider cutting or abolishing the General Excise Tax (especially on food items). This would make everything we buy considerably more affordable.

Our personal income taxes in Hawaii are very high! Consider lowering our taxes.

If this bill passes, it will be hurting the people of Hawaii. Small businesses will not be able to keep up with large corporations. Minimum wage increases will be passed on to us consumers! In addition, minimum wage increases are barriers to full and part-time employment.

I respectfully urge you to oppose SB 2018, Relating to Minimum Wage.

Mahalo.

SB-2018

Submitted on: 1/23/2022 7:50:25 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Barry Yokoyama	Individual	Oppose	No

Comments:

Aloha,

I strongly oppose SB 2018, Relating to Minimum Wage. Please defer this measure.

Consider lowering our personal income taxes and cutting or abolishing the General Excise Tax - especially on food items.

Mahalo.

SB-2018

Submitted on: 1/23/2022 8:20:15 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Lorna Holmes	Individual	Support	No

Comments:

Increasing the minimum wage is long overdue, and an absolutely necessary piece of the solution to making it possible for local people to continue to live and work in Hawaii. Please pass this bill as soon as possible. Mahalo.

SB-2018

Submitted on: 1/23/2022 8:26:42 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Randall Uyeno	Individual	Oppose	No

Comments:

I strongly oppose this bill and urge you to reject this myopic measure. Please think this through as it will hurt those whom it is meant to help by imposing an additional burden on our businesses and consumers. Perhaps it may help those who are still employed, but any benefit likely will be short-lived. Rising costs create hiring barriers to those young people who need to gain valuable work experience. By adding a government-mandated cost, businesses will start charging higher prices or determine it's not viable to continue. People will continue to complain about the increasingly high cost of living, and the cycle and exodus of residents will continue due to diminished opportunities. Do sponsors of this measure actually talk to the small business owners? Saner heads need to prevail; eventually the straw will break the camel's back. Thanks for reading.

SB-2018

Submitted on: 1/23/2022 8:37:51 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Katherine T. Kupukaa	Individual	Oppose	No

Comments:

Raising the minimum wage is totally unnecessary. It especially places a heavy burden on small businesses. Let these businesses decide on how much to pay entry level wages. At the same time let the individual decide whether to work for the company or look for another business to work. Over 13,000 businesses have closed permanently because of the lockdown and the mandates placed upon them. The Hawaii legislature should step out of the way and support small businesses to thrive and help get out of this catastrophic economic downturn.

Do not pass SB 2018

Katherine T. Kupukaa

SB-2018

Submitted on: 1/23/2022 9:23:51 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Ramon Maui Quizon	Individual	Oppose	No

Comments:

I strongly oppose this bill and urge you to defer this measure.

Many of our people are low-income, working poor who are currently being paid minimum wage. And many of us started our first jobs as minimum wage employees. We completely understand how hard it is to make ends meet in a place as expensive as Hawaii, let alone in the middle of an inflationary crisis. But raising the minimum wage will backfire, because instead of putting more money in people's pockets, the minimum wage is a barrier to full employment.

Minimum wage increases are barriers to full and part-time employment. Raising the minimum wage will increase disparities among our poorest and most vulnerable populations, and it will take Hawaii backwards even further. If the minimum wage is \$18, those costs will be passed on to consumers who already can't afford fuel, food, clothing, and healthcare. A far better solution is to make the money already in (our) pocket buy more, rather than giving a token hourly increase, only for us to find out we still can't afford the things we need.

I strongly oppose this bill and urge you to defer this measure.

SB-2018

Submitted on: 1/23/2022 9:39:19 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Chris Molina	Individual	Support	No

Comments:

Aloha Chair Taniguchi, Vice Chair Ihara, and other members of the Senate Committee for Labor, Culture, and The Arts

I would like to thank all of the members of the Senate who took the time to introduce and support this bill to increase the minimum wage. I am in support of this measure because I believe that it will help the workers of Hawai'i and their families make it here. When I was young my mother and father struggled to make ends meet. Living paycheck to paychek they made hard decisions but kept a roof over our heads, food in our stomachs, and clothes on our backs. We didn't have the extras but we always had the essentials.

Today the cost of living continues to rise for everyone here in Hawai'i and the essentials such as housing and food keep climbing while wages have not kept pace. Almost half of those who call this place home are feeling the pinch and having to make tough choices. A living wage is part of a strong social safety net that helps everyone to thrive, rasing the minimum wage is a step towards a stronger Hawai'i.

This bill would do great things to help support the workers, our families, our keiki, and the future generations of workers that will have to decide if they can continue to call this place home or will be forced to make the decision to leave Hawai'i because the opportunities to thrive are shrinking.

The one thing I would ask this committee to consider is getting rid of the tip credit or sub-minimum wage for food service workers particularly servers. I believe all workers deserve to make the same minimum wage. My wife and members of my family have worked in the food service industry and it is hard work. Food service workers and other tipped workers deserve to keep their tips which are a show of gratitude and courtesy but not required by law. Thank you for your time, your leadership, and for the comittment to seeing that our working people are supported.

Very Respectfully,

Chris Molina

SB-2018

Submitted on: 1/23/2022 10:30:51 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Jennifer Kau'i Young	Individual	Support	No

Comments:

‘Ano‘ai e nĀ• kau kĀ• nĀ• wai:

With the increasing rate of forced diaspora of Hawaiians and generational settlers of Hawai‘i spurred by soaring costs of living in Hawai‘i nei, it is imperative that the Senate pass this bill in favor of increasing the minimum wage to protect our residency and welfare in the islands. Increasing the minimum wage increases the ability to afford the basic utilities of modern living (such as housing), thus significantly protecting retention of residency, limiting forced diaspora, and raising the quality of life for residents from all walks of life.

In addition to my wholehearted support, I humbly request the following: 1) mandating subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by DBEDT to ensure working families never again fall behind on being able to afford the basics, and; 2) eliminating the tip credit, a harmful policy that allows some business owners to pay their employees a sub-minimum wage. Studies show that employees forced to survive off of tips are more likely to experience forms of violence, including sexual harassment.

As we continue to live through the costly effects of a global pandemic and economic depression, let's choose to support our everyday people by giving them the meaningful living wage they've long deserved.

Me ka ha‘aha‘a,

Jennifer Kau‘i Young

SB-2018

Submitted on: 1/24/2022 12:00:28 AM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
James K. Chan	Individual	Oppose	No

Comments:

We should be trying to lower the cost of housing, the cost of operating space for businesses, and costs related to shipping products into Hawaii to help raise wages for EVERYONE.



Hawaii
Children's Action Network Speaks!
Building a unified voice for Hawaii's children

Hawai'i Children's Action Network Speaks! is a nonpartisan 501c4 nonprofit committed to advocating for children and their families. Our core issues are safety, health, and education.

To: Senate Committee on Labor, Culture and the Arts

Re: **SB 2018 - Relating to minimum wage**
Hawai'i State Capitol, Room 225 & Videoconference
January 24, 2022, 3:00 PM

Dear Chair Taniguchi, Vice Chair Ihara, and committee members,

On behalf of Hawai'i Children's Action Network Speaks!, I am writing in STRONG SUPPORT with SUGGESTED AMENDMENTS to SB 2018, relating to minimum wage. This bill would increase the minimum wage to \$18 per hour by 2026, in three steps starting in October 2022.

It is well known that Hawai'i's families with children face the highest cost of living in the nation.¹ But working parents who earn the minimum wage can't make ends meet with only \$10.10 per hour, or \$21,000 per year for full-time work. Meanwhile 22 other states – all with lower costs of living – have minimum wages that are higher than here in Hawai'i.

Hawai'i's Department of Business, Economic Development and Tourism (DBEDT) finds that a single adult in Hawai'i with no children, and with employer-provided health insurance, needed more than \$18 per an hour “to meet their basic needs” in 2020.² DBEDT also calculates that the self-sufficiency wage for a single parent with one child was more than \$31 an hour in 2020, and more than \$38 per hour for a single parent with two keiki.

It is also well-established that the stresses of childhood poverty have both immediate and long-term effects on keiki's physical and mental health, behavioral self-control, academic achievement, and earnings as adults.³ In other words, Hawai'i's woefully inadequate minimum wage contributes to homelessness and other struggles for working families not just now, but it also in the future.

For these reasons, HCAN Speaks! supports raising the minimum wage to \$18 by 2026. **We suggest adding automatic inflation adjustments after 2026**, in order to prevent the wage from becoming so deficient again.

We also urge the removal of the credit that allows employers to pay tipped workers less than the full minimum wage. Hawai'i should follow the example of other states, such as California, Oregon, Washington, and Nevada, that have been paying tipped workers the full minimum wage while their restaurant industries thrived.

Mahalo for the opportunity to provide this testimony. Please pass SB 2018 with our suggested amendments.

Thank you,
Nicole Woo, Director of Research and Economic Policy

¹ <https://www.bea.gov/news/2021/real-personal-consumption-expenditures-and-personal-income-state-2020>

² <https://files.hawaii.gov/dbedt/annuals/2021/2021-read-self-sufficiency.pdf>

³ <https://www.apa.org/pi/ses/resources/indicator/2014/06/childhood-poverty>

SB-2018

Submitted on: 1/24/2022 5:54:30 AM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Shyla Moon	Individual	Oppose	No

Comments:

I strongly oppose this bill it should be deferred. I work in an industry that keeps all businesses safe and these restaurants and businesses are struggling to make ends meet, they're not recovered from the shutdowns. This is an unfair amount to pay a starting work with no experience \$18. If you calculate that amount for starting pay minimum wage everyone who has experience and skill their hourly wage will go up dramatically. It would be a never ending cycle and not even franchises can afford that wages.

SB-2018

Submitted on: 1/24/2022 6:25:34 AM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Shannon Rudolph	Individual	Support	No

Comments:

Support... but not nearly enough,
Even our own DBEDT says we need \$18 per hour RIGHT NOW.

It's an election year, we need Dems to start acting like Dems. There are 6 or 7 'red states' with higher wages & lower costs than Hawai'i. wth?

Will Caron
1647 9th Avenue
Honolulu, Hawai'i

January 21, 2022

TO: Senate Committee on Labor, Culture and the Arts
RE: Testimony in Strong Support of SB2018

Dear Senators,

Mahalo for introducing a strong minimum wage increase bill that brings the state minimum wage up to \$18 by the year 2026. After years of inaction on this issue, Hawai'i's working families are in need of a rapid and bold wage increase to keep them from slipping through the many widening cracks in our economic system.

At just \$21,000 a year, the current minimum wage of \$10.10 an hour is a poverty wage in the State of Hawai'i, worth barely half of a minimum survival budget and providing only a third of the required wage to rent a fair market apartment. If the minimum wage had kept pace with productivity and the cost of living, it would be well over \$18 an hour already.

I therefore **strongly support** passage of this bill and applaud the committee chair for introducing this measure. The fact that nearly the entire senate, including its lone Republican legislator, has signed onto this bill is great to see.

I would, however, politely request two amendments to the bill, the language for which can be borrowed from the Raise Up Hawai'i bill introduced by Rep. Jeanné Kapela (HB1503):

1. Mandate subsequent annual minimum wage increases after 2026 indexed to an annual minimum self-sufficiency calculation made by the Department of Business, Economic Development and Tourism (DBEDT) to ensure working families never again fall behind on being able to afford the basics; and
2. Eliminate the tip credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage. Studies show that workers who are forced to survive off of the tips they earn are put at increased risk of sexual harassment and other forms of violence. There is no good reason hard working people should earn a sub-minimum wage based on the kind of work they do for a living.

Adding these additional provisions would only expand the positive impacts of this already strong bill.

As we saw after the last minimum wage increase period ended in 2018, Hawai'i's working families have been forced to wait years as politics got in the way of passing any kind of wage increase. During the subsequent years, as an already severe economic recession was

deepened by the COVID-19 pandemic, the financial stability and wellbeing of these families suffered greatly. That financial instability and the costs of its impact on wellbeing, health and happiness, in turn, has acted as an economic drag on the state. In short, when working class folks don't have enough money to even cover their basic needs, they aren't going to be able to patronize their favorite local businesses as much, or at all.

That's why an automatic annual minimum wage increase, indexed to DBEDT's self-sufficiency level, is so important. Keeping the minimum wage at a basic survival rate is in-line with the original purpose of the federal minimum wage as it was envisioned by President Franklin D. Roosevelt who, in his 1933 address following the passage of the National Industrial Recovery Act, stated clearly that "no business which depends for existence on paying less than living wages to its workers has any right to continue in this country."

He continued, saying, "By 'business' I mean the whole of commerce as well as the whole of industry; by workers I mean all workers, the white collar class as well as the men in overalls; and by living wages I mean more than a bare subsistence level—I mean the wages of decent living."

And that should include all workers. Excluding service industry workers from a true living wage by allowing their employers to pay them sub-minimum wages via the tip credit is unjust and unethical, especially when studies show that workers that are forced to survive off the tips they earn are at an increased risk of sexual harrassment and other forms of violence in the workplace. When we say all workers deserve to earn living wages, we must mean *all* workers. That's why I'd love to see an elimination of the tip credit added to this bill as well.

Mahalo for the opportunity to testify.

SB-2018

Submitted on: 1/24/2022 8:27:31 AM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Raymond Catania	Testifying for Raise Up Hawaii Kauai	Support	No

Comments:

Aloha Sen. Taniguchi,

I support SB 2018 with amendments. Please eliminate the tip credit and include a CPI so that workers pay can keep up with inflation.

Mahalo,

Raymond Catania 808 631-6748 4215 Kole Place Lihue april8nineteen18@gmail.com



Canaan Shon

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January 24, 2022

To: Committee on Labor, Culture, and the Arts
Sen. Brian T. Taniguchi, Chair
Sen. Les Ihara, Jr., Vice Chair

From: Malcolm Barcarse, Jr. ABC Hawaii Legislative Committee Chair.

Associated Builders and Contractors Hawaii Chapter **Comments** Regarding SB 2018.

Chair Taniguchi, Vice Chair Ihara, and members of the Committee:

Thank you for the opportunity to testify, my name is Malcolm Barcarse, Jr. I am currently the Legislative Committee Chair of Associated Builders and Contractors, Hawaii Chapter which represents over 150 member companies in the Construction Industry. We also have a State Approved Trade Apprenticeship Program in the trades of Carpentry, Electrical, Painting, Plumbing and Roofing.

While we appreciate the changing economic conditions which is pushing up the cost of living, we are concerned that having large increases in the minimum wage set on an automatic schedule in an uncertain economic environment is unwise. Passing this bill risks the health of many small businesses and workers, including companies like our members whose workers are normally paid well above minimum wage but may find themselves of having entry workers at the minimum wage level because under this bill the minimum wage will rise just under 80% in only four years, without any assurance that the economy and inflation will justify that aggressive of a minimum wage hike.

As the legislature continues its discussions on the minimum wage throughout this session, we ask that any increases in the minimum wage consider the likely economic conditions going forward. Also, if the legislature is inclined to increase the minimum wage, we ask that large automatic increases way above any reasonable rate of annual inflation should be avoided.

Thank you for the opportunity to testify.

SB-2018

Submitted on: 1/24/2022 9:46:42 AM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Hunter Heavilin	Individual	Support	No

Comments:

Hawaii has the nation's highest cost of living, but the lowest minimum wage among Democratic-controlled states.

There are 10 states that have already passed a \$15 minimum wage. In Hawaii, full-time workers cannot survive on \$10.10 and need at least \$18 per hour.

Hawaii's workers have helped hold our economy together throughout the pandemic and deserve to be treated fairly and with respect. Please stand with workers this session, support this bill, and raise the minimum wage to least \$18 by 2026.

SB-2018

Submitted on: 1/24/2022 10:15:44 AM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Kelina Eldredge Handley	Individual	Oppose	No

Comments:

I oppose as this will hurt my small family business. We have 17 employees and would not be able to sustain that large of an increase for each employee. Especiall after covid, we are barely surviving and this would be as a whole very detrimental to our business.

LOCAL #1 HI, IUBAC



International Union of Bricklayers and Allied Craftworkers Local #1 of Hawaii

2251 North School Street, Honolulu, HI 96819

Phone: (808) 841-8822 • Fax: (808) 777-3456

January 24, 2022

The Honorable Brian T. Taniguchi, Chair
The Honorable Les Ihara, Jr., Vice Chair
Committee on Labor, Culture, and the Arts
Hawaii State Senate

Statement of Local 1 in Strong Support of SB2018, Relating to Minimum Wage

Aloha Chair Taniguchi, Vice Chair Ihara, and Members:

The International Union of Bricklayers and Allied Craftworkers Local #1 of Hawaii is in strong support of SB2018, relating to minimum wage. The bill would increase the minimum wage for certain employees incrementally to \$12.00 per hour beginning 10/1/2022, \$15.00 per hour beginning 1/1/2024, and \$18.00 per hour beginning 1/1/26.

We firmly believe that all Hawaii workers deserve to be treated fairly on the job – which means adequate jobsite conditions, proper safety measures and training, and very importantly, wages that are commensurate with their time and labor.

The minimum wage in Hawaii has been far too low for too long, and workers simply cannot get by – much less get ahead – on the current minimum wage. We believe that one job should be enough for someone in Hawaii to take care of their basic needs, and so it is critical for the legislature to act to increase the minimum wage this session. We therefore strongly support SB2018's proposal to raise the minimum wage here in the state.

Mahalo for the opportunity to provide these comments.

SB-2018

Submitted on: 1/24/2022 1:09:57 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Joan Craft RN	Testifying for Hawaii Nurses' Association OPEIU Local 50	Support	No

Comments:

Dr Char Taniguchi,

As we all know Hawaii has a very high cost of living - the mininum wage needs to keep up, otherwise catching up will become isurmountable.

Thank you,

Joan Craft RN

Treasurer

Hawaii Nurses Associatin

SB-2018

Submitted on: 1/24/2022 1:09:57 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Joan Craft RN	Testifying for Hawaii Nurses' Association OPEIU Local 50	Support	No

Comments:

Dr Char Taniguchi,

As we all know Hawaii has a very high cost of living - the mininum wage needs to keep up, otherwise catching up will become isurmountable.

Thank you,

Joan Craft RN

Treasurer

Hawaii Nurses Associatin



HAWAII SUBSTANCE ABUSE COALITION

SB2018 Minimum Wage

COMMITTEE ON LCA:

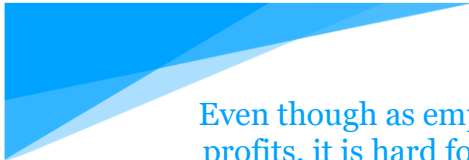
- Sen. Sen. Brian Taniguchi, Chair;, Vice Chair Les Ihara
- Monday, Jan. 24 2024: 3:00 : Videoconference

Hawaii Substance Abuse Coalition Supports SB2018:

ALOHA CHAIR, VICE CHAIR AND DISTINGUISHED COMMITTEE MEMBERS. My name is Alan Johnson. I am the current chair of the Hawaii Substance Abuse Coalition (HSAC), a statewide organization of over 30 substance use disorder and co-occurring mental health disorder treatment and prevention agencies.

HSAC supports this bill that would especially help working women and parents in low-to middle income households, helping them and their families out of poverty and homelessness.

We appreciate the opportunity to provide testimony and are available for questions.



Even though as employers of non-profits, it is hard for us to find the resources to pay for wage increases, it is something that we must do for the sake of what is right for our people and for the sake of wellness in our shared community.

SB-2018

Submitted on: 1/24/2022 2:58:31 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
TERI SAVAIINAEA	Individual	Oppose	No

Comments:

I strongly oppose this bill and urge you to defer this measure.

Thank you



January 24, 2022

Chair Lynn Finnegan
Hawaii Republican Party
725 Kapiolani Boulevard #C105
Honolulu, Hawaii 96813

To: Chair Taniguchi, Vice Chair Ihara, and Members of the Committee on Labor, Culture and the Arts

RE: Opposition to SB2018

“Because they are part of the backbone of our community, helping businesses and employers is one of the State’s highest priorities.” - Governor David Ige, Budget in Brief 2023

SB2018 mandates a minimum wage increase from \$10.10 to \$18.00 over 3 years and 3 months without regard to whether or not a business can afford to do so. Not all businesses are created equal and therefore should not be treated the same. The conversation to increase the minimum wage is more complex than writing and passing a bill.

Hawaii’s people and businesses are seeing rising costs and government requirements will make it worse. During a time of uncertainty and without knowing if we will see continued infusions of federal money to support our economy during Covid-19 interruptions, Hawaii Republicans believe that it is of utmost importance to:

- keep the cost of living from increasing even further, the major reason why our families are leaving Hawaii
- keep every job, especially for the vulnerable worker
- keep every small business, especially those that did not get the benefit of federal government’s Paycheck Protection Program (PPP) and forgiveness loan
- grow our economy as federal funding and support may not continue
- address the high cost of housing and food, the root cause of the problem

Raising the minimum wage is an illusion.

- The hike to \$18/hr is a false floor for wages. It will not take long for the pay increase to disappear while the pressure to increase wages for those making more than \$18/hr to then also demand higher wages. This outside force that pits employers against

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employees in a time for cooperation is unfortunate and will continue to increase costs for businesses. The cost of food and housing will continue to increase for Hawaii's people and the problem starts all over again.

- Local housing markets should be aligned with local wages and they are not. Hawaii is an international housing market that prices Hawaii residents out of housing. We need to address this root cause.

This bill has terrible unintended consequences.

- Businesses, especially small businesses who are already on life support, will be straddling significant increases in labor costs and what their customers will pay for a service or product, leaving some businesses no way out but to close.
- It will raise hourly wages for some wage earners, however, there are other vulnerable workers – those who have physical or mental limitations – whose positions could very well be eliminated.
- The minimum wage is largely attributed to entry level work and is a great way for young people to learn work ethic and responsibility. We should not equivocate an entry level worker's wage of \$10.10 to one that is earning \$18/hr.
- SB2018 disregards any merit pay or other incentives and benefit package that are currently available to lower wage earners

Republicans believe that it is better to teach a person to fish instead of giving a person a fish and also believe in a hand up instead of a hand out for those who are able to work. This bill, no matter how good it might feel to pass or how good it sounds, is not good for our economy, businesses, or our people.

Please reconsider passing this bill.

Sincerely,

A handwritten signature in blue ink, appearing to read "Lynn".

Lynn Finnegan
State Chair

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SB-2018

Submitted on: 1/24/2022 4:29:05 PM

Testimony for LCA on 1/24/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Linda Wakatake	Individual	Support	No

Comments:

I strongly support SB2018.

Thank you for your consideration!

Linda Wakatake