



STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
www.labor.hawaii.gov

February 22, 2021

To: The Honorable Donovan M. Dela Cruz, Chair,
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair, and
Members of the Senate Committee on Ways and Means

The Honorable Karl Rhoads, Chair
The Honorable Jarrett Keohokalole, Vice Chair, and
Members of the Senate Committee on Judiciary

Date: Monday, February 22, 2021
Time: 10:30 a.m.
Place: Conference Room 211, State Capitol

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

Re: S.B. No. 676 S.D. 1 RELATING TO MINIMUM WAGE

I. OVERVIEW OF PROPOSED LEGISLATION

This measure increases the minimum wage rate from \$10.10 per hour to \$12.00 per hour on July 1, 2022.

II. CURRENT LAW

Act 14 (SLH, 2014) increased the minimum wage rate from \$7.25 per hour in four increments to \$10.10 per hour on January 1, 2018.

III. COMMENTS ON THE SENATE BILL

The Bureau of Labor Statistics' (BLS) Consumer Price Index (CPI) calculator measures the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. The calculator indicates that the inflation rate from January 1, 2018 to December 2020 was 5%.

The Missouri Economic Research and Information Center (MERIC) derives a cost of living index for each state by averaging the indices of participating cities and metropolitan areas in that state on a quarterly basis. Hawaii was ranked the highest according to MERIC in the fourth quarter of 2020. In general, the most expensive areas to live were Hawaii, Alaska, the Northeast, and the West Coast.



MAUI

CHAMBER OF COMMERCE
VOICE OF BUSINESS

**HEARING BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS
AND COMMITTEE ON JUDICIARY
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 211
MONDAY, FEBRUARY 22, 2021 AT 10:30 A.M.**

To The Honorable Donovan M. Dela Cruz, Chair;
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair; and
Members of the Committee on Ways and Means,

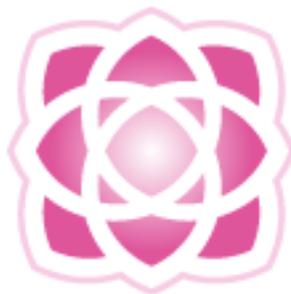
To The Honorable Karl Rhoads, Chair;
The Honorable Jarrett Keohokalole, Vice Chair; and
Members of the Committee on Judiciary,

OPPOSE SB676 RELATING TO THE MINIMUM WAGE

Aloha, my name is Pamela Tumpap. I am the President of the Maui Chamber of Commerce, in the county most impacted by the COVID-19 pandemic in terms of our dependence on the visitor industry and corresponding rate of unemployment. I am writing share our opposition to SB676.

Businesses care deeply about their employees. Many were devastated to have to lay off their workers at the beginning of the pandemic and we have dealt with business owners who were distressed that their employees struggled to get unemployment payments. The goal of employers is to get their employees back to work as quickly as possible and SB676 will hamper this effort, not help.

Now is not the time to increase costs for businesses who are hanging on by a thread, as we are in a global pandemic and severe economic recession, with recovery estimated to take many years. Employers will already see an additional expense as the unemployment rate is moving up to Schedule D per HB1278 and we are unsure what other taxes and fee increases will come down from the state and counties. We have already seen many businesses close permanently and with that comes further unemployment and diminished opportunities for residents. We should not penalize Hawaii companies who are very disadvantaged due to our over reliance on the visitor industry, but instead focus on getting people back to work so they have opportunities to grow and move up and out of the minimum wage.



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

**Testimony on SB676
Page 2.**

Finally, those who can pay more than the current minimum wage are already doing so. Only 6% of people in Hawaii are estimated to make the minimum wage, according to a DBEDT study. These are typically very small businesses and starting positions where employees have the chance to grow within the company and expand their livelihoods.

Mahalo for your consideration of our testimony and ask that you please defer this bill.

Sincerely,

Pamela Tumpap

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-676-SD-1

Submitted on: 2/19/2021 5:58:43 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Pride at Work - Hawaii	Testifying for Pride @ Work - Hawaii	Support	No

Comments:

Aloha Senators,

Pride at Work - Hawai'i, the state-wide chapter of Pride At Work (a constituency group of the national AFL-CIO) and an affiliate of the Hawai'i State AFL-CIO, supports SB 676 SD 1 but we request that it be amended to \$17/ per hour by 2026.

Mahalo nui loa for your time and consideration,

Pride at Work - Hawai'i

SB-676-SD-1

Submitted on: 2/19/2021 5:59:57 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Golojuch Jr	Testifying for LGBT Caucus of the Democratic Party of Hawaii	Support	No

Comments:

Aloha Senators,

The LGBT Caucus of the Democratic Party of Hawai'i, Hawaii's oldest and largest policy and political LGBTQIA+ focused organization, supports SB 676 SD 1 but we request that it be amended to \$17/ per hour by 2026.

Mahalo nui loa for your time and consideration,

Michael Golojuch, Jr.
Chair
LGBT Caucus of the Democratic Party of Hawai'i



February 19, 2021

To: Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair
Members of the Committee on Ways and Means

Senator Karl Rhoads, Chair
Senator Jarrett Keohokalole, Vice Chair
Members of the Committee on Judiciary

Date: Monday, February 22, 2021

Time: 10:30 pm

Place: State Capitol
415 South Beretania Street
Conferene Room 211

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

RE: Opposition to SB 676, SD1 Relating to the Minimum Wage

My name is Wayne Hikiji and I am the president of *Envisions Entertainment & Productions, Inc.* ("*Envisions*"), an event production company based in Kahului, Maui. We have been in business for 25 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.

We oppose SB 676, SD1 which would increase the minimum wage to \$12 per hour beginning July 1, 2022. Such an increase under normal circumstances would appear 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, any increase to the minimum wage 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 since mid-March. *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 is a slight uptick in transpacific travel in 2021, we are still seeing only a fraction of the transpacific group and wedding business we rely primarily on to sustain ourselves. And while the 2nd Draw of PPP will provide temporary relief until May or June, it is a short-term fix that is simply not enough to keep us afloat through the summer and fall, much less through 2022.

Envisions Entertainment & Productions, Inc.

Re: SB 676, SD1

February 19, 2021

Page 2 of 3

Faced with the anticipated increase to the Unemployment tax in 2021 and 2022, we simply cannot sustain this SUTA increase and a minimum wage increase in what we hope to be a recovery year from the worst health and economic crisis in modern history.

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 an hour 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, or 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.

Wayne Hikiji

Its President



Greg Maples, Chairman – Polynesian Cultural Center **Tambara Garrick, Incoming Chair** – Pineapple Place
Tyler Roukema, Secretary –Outrigger Canoe Club
Kahili Soon, Treasurer – Hukilau Marketplace **Tom Jones, Past Chair** – Gyotaku

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Date: February 19, 2021

To: Sen. Donovan M. Dela Cruz, Chair
Sen. Gilbert S.C. Keith-Agaran, Vice Chair
Members of the Committee on Ways and Means,

Sen. Karl Rhoads, Chair
Sen. Jarrett Keohokalole, Vice Chair
Members of the Committee on Judiciary

From: Victor Lim, Legislative Lead

Subj: SB 676 SD 1 Relating to Minimum wage

The Hawaii Restaurant Association representing 3,400 restaurants here in Hawaii opposes SB 676 SD 1 Relating to Minimum Wage.

Most restaurant operators here do not expect business conditions to improve much in the coming years and 43% say it is unlikely their restaurant will still be in business six months from now without additional relief packages from the federal government. To say that many businesses here in Hawaii are in dire straits will be an understatement.

The restaurant industry is probably one of the most hard hit by this pandemic and needs time to recover. All experts point to the fact that our State Economy will take at least 3-4 years to recover. We cannot easily absorb this labor cost increase when you compound with other increases coming from state and federal on Unemployment Insurance rates, Paid Leave provisions, utilities cost increases due to oil price hikes, etc.

By raising the floor to \$ 12/hr on 7/1/2022, you also force everyone that is at that level to go even higher due to the compression need for adjustment, resulting in cost increases for everyone at this time when businesses can least afford to absorb or pass it thru to the consumers who are also challenged with disposal income. **THIS IS NOT THE TIME.**

Thank you for allowing us to share our situation and position on this.



COMMUNITY ALLIANCE ON PRISONS

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

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



COMMITTEE ON WAYS AND MEANS

Senator Donovan Dela Cruz, Chair

Senator Gil Keith-Agaran, Vice Chair

COMMITTEE ON JUDICIARY

Senator Karl Rhoads, Chair

Senator Jarrett Keohokalole, Vice Chair

Monday, February 22, 2021

10:30 AM

SUPPORT w AMENDMENT FOR SB 676 RAISE THE MINIMUM WAGE TO A DECENT WAGE

Aloha Chairs Dela Cruz and Rhoads, Vice Chairs Keith-Agaran and Keohokalole and Members of the Committees!

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 4,100 Hawai'i individuals living behind bars or under the "care and custody" of the Department of Public Safety on any given day. We are always mindful that 1,000 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 supports raising the minimum wage to lift our people out of poverty. Although \$12 is better, the ALICE report showing the number of families not making it should be a huge red flag. We respectfully ask the committee to amend the bill to include language pushing the minimum wage to \$17 per hour by 2026.

In the 90's there was a Family Economic Self Sufficiency study that examined how much 10 different family types had to earn to just to serve their basic needs in Hawai'i. At that time it was at least \$25 an hour. While \$12 in 2022 is start, it is nowhere near a living wage.

*The living wage is defined as the wage needed to cover basic family expenses (basic needs budget) plus all relevant taxes. Values are reported in 2019 dollars. To convert values from annual to hourly, a work-year of 2,080 hours (40 hours per week for 52 weeks) per adult is assumed. The basic needs budget and living wage are calculated as follows: Basic needs budget = Food cost + childcare cost + (insurance premiums + health care costs) + housing cost + transportation cost + other necessities cost Living wage = Basic needs budget + (basic needs budget*tax rate)¹*

We are now all witness the impact of ignoring data like this in favor of tax credits for corporations and tax breaks for folks who should be paying their fair share.

It is in the interest of all Hawai`i to lift our people out of poverty. A better decision would be to raise the minimum wage to \$17 in 2026, which is still not a living wage, however, it would give individuals and families a better way to plan and to budget their resources. What more proof do we need than to walk around our communities and witness individuals and families living in doorways and under bridges.

Community Alliance on Prisons urges the committee to be bold and to increase the minimum wage to \$17 an hour in 2026 so that people can survive in one of the most expensive places to live. Let's show our aloha for those in our communities who are struggling every day to make ends meet. This would be the demonstration of aloha that is so desperately needed at this time. Show the people that you care about all of us!

Mahalo for this opportunity to testify.

"Give light and people will find the way."

Ella Baker

¹ LIVING WAGE CALCULATOR, User's Guide / Technical Notes, 2020 Update, by Carey Anne Nadeau, Open Data Nation, Updated 12/22/2019, Department of Urban Studies and Planning, Massachusetts Institute of Technology <https://livingwage.mit.edu/resources/Living-Wage-Users-Guide-Technical-Documentation-2020.pdf>

SB-676-SD-1

Submitted on: 2/19/2021 7:17:13 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Danielle Beaver	Testifying for Danielle Beaver, Attorney at Law	Support	No

Comments:

As a Social Security Disability lawyer, I speak directly with hundreds of workers every year. The vast majority of them are struggling to get by, breaking their bodies working in such demanding low wage work until they get so injured or sick that they no longer can work. We must honor the workers that keep our economy running and our community safe and healthy.

As a small business owner, I know that an increase in the minimum wage would not be a hardship to other small businesses. Anyone who has run a business knows that other kinds of overhead like rent, supplies, etc. are the real major costs. Furthermore, the more that workers are able to take care of themselves, the better they will be able to perform their jobs. As it is, Hawaii's workers are barely making it and often end up sick, disabled or homeless because of the cruel laws that we have in place now.

Anyone with any kind of concious cannot abide another year in which the legislature fails to raise the minimum wage. \$12 is not enough. It should be amended to \$17.

I look forward to hearing that our elected representative have done the right thing and pass this bill.

Sincerely,

Danielle Beaver, Attorney at Law



HAWAII

AMERICANS FOR DEMOCRATIC ACTION

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P.O. Box 23404
Honolulu
Hawaii 96823

February 19, 2021

TO: Chairs Dela Cruz & Rhoads and Members of WAM & JDC Committees

RE: SB 676 SD1 Relating to the Minimum Wage

Support for hearing on Feb. 22

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.

We reluctantly support SB 676 SD1 as we support an increase in the minimum wage. People who work forty hours a week should be able to live on their wages. Therefore a seventeen dollar an hour minimum wage makes more sense. Yet perhaps some increase is better than none?

Over 150,000 full-time workers in Hawaii make below the \$35,000 needed for them to afford basic needs. While cost of living is the highest in Hawaii, we are behind eight other states which are on their way to a \$15 minimum wage.

We have heard the argument that a pandemic is not a time to raise the cost of small business operations. Yet has not the pandemic shown us the importance of many front-line workers who try to survive on minimum wage. We don't mind tax credits to small businesses for whom this extra payroll would hurt, but we should not forget those who got us through this pandemic.

Thank you for your favorable consideration.

Sincerely,
John Bickel, President



SB-676-SD-1

Submitted on: 2/20/2021 12:52:41 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Steven Chaikin	Testifying for Molokai Sea Farms	Oppose	No

Comments:

This is crazy. We are in the middle of the worst unemployment crisis in modern history. Companies are struggling to remain in business and you pick this time to consider raising the minimum wage. First things first. We desperately need to get people back to work. After Hawaii's economy gets back on their feet that's the time to consider this bill. Shelve it for now.

Aloha,

Steve Chaikin

SB-676-SD-1

Submitted on: 2/20/2021 1:11:48 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Thomas Brandt	Testifying for Foresight/Policy Analysis	Support	No

Comments:

Support WITH AMENDMENT to increase minimum wage to \$17 per hour by 2026.

Mahalo!

Statement Before The
SENATE COMMITTEE ON WAYS AND MEANS
and
SENATE COMMITTEE ON JUDICIARY

Monday, February 22, 2021
10:30 AM
Conference Room 211 & Videoconference

in consideration of
SB 676, SD1
RELATING TO THE MINIMUM WAGE.

Chairs DELA CRUZ and RHOADS, Vice Chairs KEITH-AGARAN and KEOHOKALOLE, and
Members of the Senate Ways and Means and Judiciary Committees

Common Cause Hawaii provides comments in support of SB 676, SD1, which increases the minimum wage for certain employees to \$12.00 per hour beginning 7/1/2022.

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 July 1, 2022 is a start and will help Hawaii's people and help to ensure a healthy, vibrant democracy. Please consider increasing the minimum wage even more. There are seven states (California, Connecticut, Florida, Illinois, Maryland, Massachusetts, and New Jersey) that will have \$15 per hour minimum wage in the next few years. See <https://minimumwage.com/2020/12/80-states-and-localities-will-see-minimum-wage-hikes-in-2021/>.

Thank you for the opportunity to comment in support of SB 676, SD1 and to request consideration of increasing the minimum wage even more. If you have further questions of me, please contact me at sma@commoncause.org.

Very respectfully yours,

Sandy Ma
Executive Director, Common Cause Hawaii



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the Senate Committees on Ways and Means and Judiciary
Monday, February 22, 2021 at 10:30 A.M.
Written Only**

RE: SB 676, SD 1, RELATING TO THE MINIMUM WAGE

Chairs Dela Cruz and Rhoads, Vice Chairs Keith-Agaran and Keohokalole, and Members of the Committees:

The Chamber of Commerce Hawaii ("The Chamber") **respectfully opposes SB 676, SD 1 which increases the minimum wage.**

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.

The enactment of a minimum wage increase during this economic recovery phase time will undermine efforts made to turn Hawaii's economy around. Hawaii's business community is at a critical point -- where any additional mandates could mean the difference between closing their doors, bankruptcy, or laying off employees. As evidenced by recent media accounts in a COVID-19 pandemic, many local establishments, some of which have faithfully served consumers for generations, are going out of business.

Oftentimes not discussed when speaking about minimum wage is the mandatory cost of healthcare. 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. Healthcare costs are often overlooked as an employee benefit when talking about the costs of doing business.

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. Add this up and we are talking about more than \$17 per hour.

Now is not the time to increase the wage. Rather, now is the time to focus on economic recovery and save small businesses that are already struggling from the ongoing impact of COVID-19 pandemic.



Chamber of Commerce HAWAII

The Voice of Business

In a new Pulse of Business survey¹ conducted in partnership with Omnitrak and with the support of Central Pacific Bank Foundation, the Hawaii Chamber of Commerce Foundation found the economic impact of the COVID-19 pandemic continues to have dramatic consequences for local businesses. The Pulse of Business results are not surprising and that one primary issue facing businesses is the cost of paying higher unemployment taxes in 2020 while they continue to suffer from the economic impact of the COVID-19 pandemic.

The Pulse of Business survey found that:

- Eighty percent of the businesses that participated in the survey are small businesses with 20 or fewer employees.
- Island companies face a long road to recovery that they expect will extend into April 2022.
- Revenues fell an average of 45% from 2019 to 2020, with no significant differences between Oahu and neighbor isles.
- Almost half (45%) reduced their workforce. The percentage would have been higher (63%) if businesses had not received federal Paycheck Protection Program funds.
- Businesses that had to cut jobs laid off a median of one in three workers in 2020. On neighbor isles, cuts were even greater, with five in nine employees laid off due to the pandemic.
- Many local businesses attributed a drastic drop in revenue to waning tourism, even if they were not directly involved in the visitor industry. A drop in visitor arrivals was the single most important factor impacting employee cutbacks.

National data has differed on their opinion of the effects that an increase in the minimum wage could have on employers and their businesses. However, should this bill pass, it will no doubt harm local businesses, the state economy, job creation and, potentially, the very employees it is trying to help.

A Minimum Wage Increase is not a One-Size Fits All Fix

The number of small businesses across the Hawaii vary from the size of the business, to the number of employees or even the products and goods that they sell. A rise of the minimum wage will have an impact that will be felt throughout the small business community. We have heard from many members regarding what would happen to their businesses if the minimum wage were to be increased. Some of our members have said that their businesses would be

¹ Survey finds Hawaii businesses reeling from lost revenue, cutting jobs, and expecting a long road to recovery
<https://www.staradvertiser.com/2021/02/02/breaking-news/survey-finds-hawaii-businesses-reeling-from-lost-revenue-cutting-jobs-and-expecting-a-long-road-to-recovery/>



Chamber of Commerce HAWAII

The Voice of Business

able to absorb the additional costs of an increase in minimum wage. However, we have heard from other members who have raised concerns on what sort of impact these new increases will have on their businesses.

One of the business owners that we have heard from, someone who has owned a restaurant for over 30 years and employs around 25 workers has indicated that even the smallest increase being considered for a minimum wage increase will cost them nearly \$45,000 more on hourly wages in the first year. This owner has also indicated that most likely they will need to raise prices, cut back on the premium health care that their business currently offers, and most likely also cut hours. This is also an owner that has used his business to help contribute millions of dollars to charitable causes in Hawaii through fundraisers, donations and other efforts throughout the years.

We hope that lawmakers will take this into account when considering the impact that a minimum wage would have on small businesses across the state.

Minimum Wage vs. Living Wage

Recently, when considering a minimum wage increase, proponents have tied it to the argument that workers need to be making a livable wage. The Chamber understands and empathizes with working families and the challenges that they face with the high cost of living in Hawaii. That is why we believe we need to look at the whole picture of factors that are affecting workers here in Hawaii. A minimum wage increase is not going to be the silver bullet that will fix all of Hawaii's cost of living problems. Living wage is a complex, multifaceted issue and we need to take a hard look at solving issues such as lack of available and affordable housing, and reliance on imported goods and energy when considering a living wage.

Other Important Factors for Consideration

Increasing the minimum wage will also greatly affect job opportunities, especially for new, unskilled workers. In addition to traditional adult workers changing industries, young adult workers also often receive their initial work experience by starting at unskilled jobs. As mentioned previously in our testimony, business owners are telling us that raising the minimum wage will result in some businesses having to cut salaries and positions and raise prices on their products. Raising wages does put more money into circulation of the economy; however, it also can lead to fewer jobs, fewer hours worked for employees, and in some cases, the loss of the business entirely.



Chamber *of* Commerce HAWAII

The Voice of Business

While we understand the intent of a minimum wage increase, a minimum wage increase will undermine efforts to recover Hawaii's stagnant economy. Hawaii's business community is at a critical point and asking for government policies that offers them the relief to stay in business and keep employees working.

Thank you for this opportunity to provide testimony.



The Thirty-First Legislature
Regular Session of 2021

THE SENATE

Committee on Ways and Means

Senator Donovan M. Dela Cruz, Chair

Senator Gilbert S.C. Keith-Agaran, Vice Chair

Committee on Judiciary

Senator Karl Rhoads, Chair

Senator Jarrett Keohokalole, Vice Chair

State Capitol, Conference Room 211 & Videoconference

Monday, February 22, 2021; 10:30 a.m.

**STATEMENT OF THE ILWU LOCAL 142 ON S.B. 676, S.D.1
RELATING TO THE MINIMUM WAGE**

The ILWU Local 142 **supports** S.B. 676, S.D.1, but with **suggested amendments**. S.B. 676, S.D.1 will increase the minimum wage for certain employees to \$12.00 per hour beginning 7/1/2022.

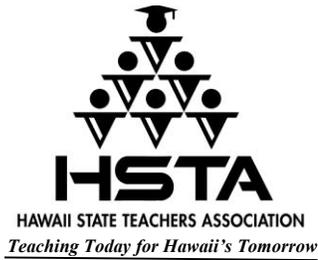
We appreciate the Chairs and the members of the Committees for scheduling this bill and recognizing the need to increase our minimum wage in the state of Hawaii. As everyone knows, our current minimum wage is a poverty wage in the state of Hawaii and workers desperately need a raise. Unfortunately, \$12 in 2022 is simply not enough. Our own Department of Business, Economic Development & Tourism has concluded workers in Hawaii need to be earning over \$17 an hour to simply get by. In 2022, that number will only increase.

Even our Democrats in Congress including President Biden are seeking to increase the federal minimum wage to \$15 an hour – a minimum wage everyone in America should be earning today. We are grateful to see the conversation of a \$15 an hour national minimum wage gaining traction and interest and are hopeful Hawaii can also move our minimum wage to a living wage. We suggest amending S.B. 676, S.D.1 to increase Hawaii's minimum wage to \$17 an hour by 2026. While that is still below what workers need to earn in Hawaii, it helps move us in the right direction and closer to a living wage.

We would also like to see the tip credit eliminated so all workers can earn the same wage. Women make up the majority of the workforce in the restaurant service industry and are the ones punished for this archaic and discriminatory practice. Far too often, women are sexually harassed or abused while earning tips on the job and many do not report the crime in fear of

retaliation and the need for tips to survive. Simply put, this practice needs to end. Even with tips, most servers barely earn enough to get by and are still one of the lowest paid professions.

Again, thank you for scheduling S.B. 676, S.D.1 - we hope you will consider the suggested amendments above.



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

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Vice President
Logan Okita
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Wilbert Holck
Executive Director

TESTIMONY BEFORE THE SENATE COMMITTEE ON
WAYS & MEANS and THE COMMITTEE ON JUDICIARY

RE: SB 676, SD1 - RELATING TO MINIMUM WAGE

MONDAY, FEBRUARY 22, 2021

COREY ROSENLEE, PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION

Chair Dela Cruz, Chair Rhoads, and Members of the Committee:

The Hawaii State Teachers Association **supports SB 676, SD1**, relating to minimum wage, **with the suggested amendments.**

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 Hawaii minimum wage worker would have to work 109 hours per week just to pay rent for a 1-bedroom apartment.

This bill as written will increase the minimum wage to \$12 in 2022. However, according to DBEDT, the self-sufficiency income standard for a single person with no children and employer-provided health insurance in 2016 was \$15.84 per hour, which comes out to \$17 in 2019 and it keeps climbing. Thus we would ask **also to amend the language to allow 5 steps to reach \$17 per hour as our minimum wage in Hawaii by 2026.**

- (6) \$9.25 per hour beginning January 1, 2017; [~~and~~]
- (7) \$10.10 per hour beginning January 1, 2018[.];
- (8) \$12.00 per hour beginning July 1, 2022;
- (9) \$13.25 per hour beginning July 1, 2023;
- (10) \$14.50 per hour beginning July 1, 2024;
- (11) \$15.75 per hour beginning July 1, 2025;



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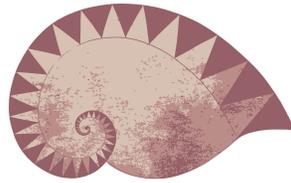
Corey Rosenlee
President
Osa Tui Jr.
Vice President
Logan Okita
Secretary-Treasurer
Wilbert Holck
Executive Director

(12) \$17.00 per hour beginning July 1, 2026; and

Our minimum wage has been falling further behind inflation since Jan. 1, 2018, the last time the wage was increased. The minimum wage in 17 states plus DC have automatic inflation adjustments, which would be a smart idea as well, as it would already be set in motion, thus we would not have to keep fighting to raise minimum wage to keep up with inflation time after time. So that is another amendment that should be considered and applied.

Research shows that higher wages are good for businesses, too. **In Hawai'i, between 2015 and 2018, our minimum wage increased by 39 percent while our unemployment rate dropped and restaurants hired more servers, despite minimum wage being raised. That's because higher wages improve worker morale, productivity and loyalty, and retention, which saves employers the costs associated with constantly hiring and training new employees. It is important to note that any extra money paid to minimum wage workers is plowed right back into local businesses, leading to a positive ripple effect across our economy.**

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



Pono Hawai'i Initiative

Patrick Shea - Treasurer • Lena Mochimaru - Secretary
Nelson Ho • Summer Starr

Monday, February 15, 2021

Relating to the Minimum Wage
Testifying in Support

Aloha Chair and members of the committee,

The Pono Hawai'i Initiative (PHI) **supports with amendments SB 676 SD1 Relating to the Minimum Wage. This measure phases in an increase to the minimum wage for certain employees to \$12 per hour by July 2022.**

While \$12 in July of 2022 is a good first step, please support **SB676 with amendments to increase Hawaii's minimum wage to \$17 by 2026.** Hawaii has the highest cost of living yet of the 26 other states that are increasing their minimum wage this year, 20 of them have a higher minimum wage than Hawaii.

Hawaii's actual history has shown that so long as the increase is incremental and phased in over time, the impacts on local business are negligible and consumer spending actually grows.

During this past year dealing with Covid-19, it has been made abundantly clear who our community's essential workers are. We need to make sure that those workers are treated and compensated fairly for the work that they do. Working a single full-time job should be enough.

For these reasons we urge you to pass **SB676 SD1 with the amendments** listed above.

Mahalo for the opportunity to testify,

Gary Hooser
Executive Director
Pono Hawai'i Initiative

SB-676-SD-1

Submitted on: 2/20/2021 10:53:38 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
david gierlach	Testifying for st elizabeth's church	Support	No

Comments:

Dear Representatives,

We urge your passage of amendments to increase the minimum wage to \$17/hr

Our economy is powered through consumer spending. Businesses in Hawai'i need customers in order to survive. The pandemic-recession has made it extremely difficult for Hawai'i's low-wage families (and many middle-wage ones too) to make ends meet in an already high-cost state through reduced employment and wages, as well as through unexpected healthcare and family care costs. When those families don't have enough to cover their basic needs, they stop spending their earnings at Hawai'i businesses.

Customers are workers, and workers are customers.

The roughly 11 percent increase per year that we are asking for in \$17 by 2026 will be easier for businesses to transition to than one 19 percent increase (\$12 by 2022) while doing a better job of giving working families the purchasing power they need to participate in the economy.

Data shows us that raising the minimum wage has helped small businesses in Hawai'i. The number of small businesses and small business employees increased during the last minimum wage hike between 2014 and 2018 (which raised the wage from \$7.25 to \$10.10, or about 10 percent per year). Businesses have more demand for their goods and services as wages rise across the state, helping them pay their employees more as well.



February 22, 2021

**TESTIMONY BEFORE THE JOINT SENATE COMMITTEES ON
WAYS & MEANS, AND ON JUDICIARY
ON SB 676 SD1 RELATING TO THE MINIMUM WAGE**

Aloha Chair Dela Cruz, Chair Rhoads, and committee members. I am Gareth Sakakida Managing Director of the Hawaii Transportation Association (HTA) with over 375 members involved with the commercial ground transportation industry.

HTA opposes this bill. Hawaii business has suffered a collapse unseen for generations, and have little hope of a sustained rebound in 2021.

Revenue dried up, but expenses remained and continue to grow. Any sort of rebound will not result in fattening wallets, but will have to be plowed into catching up with incurred expenses just to stay in business.

Increasing costs when the economy is flatlined will close more doors and depress the economy further. It is time to focus on aiding our economic recovery NOT adding burdens.

Mahalo.

SB-676-SD-1

Submitted on: 2/20/2021 1:43:31 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kahala Knopp	Testifying for Pacific Mirror & Glass	Oppose	No

Comments:

Aloha Senators,

Please vote NO on SB 676, SD1, a bill that increases the minimum wage.

Our sincere hope is that you will consider the consequences of raising the minimum wage during one of the most difficult economic recessions in modern times. This could have severe consequences on businesses of all sizes. Numerous surveys have shown that many local businesses are still struggling, even a year later. Furthermore, UHERO indicated that it will take years for economic recovery.

If the minimum wage is increased, businesses would have to alter operations to stay afloat. Changes that companies would be forced to contemplate include a decrease in the number of employees and the number of hours an employee works, and changes in other non-mandated benefits already being offered.

Now is not the time to consider a minimum wage increase. If this is added to the increase in UI rates, business will certainly LAY-OFF workers and be forced to close. Small business need a FIGHTING CHANCE to survive and cannot sustain theserising costs.

Mahalo for your consideration - please consider all of the lives, families, and business you will be hurting by imposing this measure on them.



Testimony on SB676

Highway Inn Opposes an Increase in Minimum Wage to \$12 on July 1st, 2022.

Highway Inn's employees already earn considerably more than \$12 per hour because that is what the market for restaurant labor in Hawaii demands. Full-service restaurant wages comprise a combination of a base wage, tips, service charge allocation, mandated Healthcare, PTO, and a 401(k) contribution. *It is not necessary to mandate a higher minimum wage when we already ensure our staff earn a living wage.*

We ask that a Minimum Wage Bill consider an employee's TOTAL compensation and exempt restaurants (and other industries with tipped employees) that already compensate their employees at above-minimum rates thru a meaningful Federally approved Tipped Wage.

Here are sample (pre-Covid) numbers from Full-Time Waitstaff who has been with us for three years, contributes to our 401(k) program, and earns minimum wage:

		\$/hr
Salary	\$	10.10
Tips	\$	21.00
Healthcare	\$	4.04
PTO	\$	0.34
401(k)	\$	0.69
Total	\$	36.17

We offer tip-pooling and service charge allocation to employees who do not make tips to increase their wages. This nets to approximately \$1-\$4 per hour instead of Tips. Kitchen workers in non-tipped positions have a higher base salary.

The MOST IMPORTANT fact to understand is that at Full-Service Restaurants, which comprise a large share of Hawaii's economy, most workers who earn minimum wage *also* receive a *significant* portion of their total compensation in tips. In fact, in 2017, a full-time server reported over \$72,000 in income on her W2. No one can argue this is not a living wage.

SB676 & similar bills that attempt to raise minimum wages for tipped minimum-wage earners, as in the examples above, create unintended and harmful consequences to employees, businesses, customers, and the local economy. Here is what will happen:

1. Restaurants will raise prices according to the increase in labor costs because restaurants are low-margin businesses & cannot fully absorb increased labor costs and increased supplier costs
 - a. The minimum wage increase's primary recipients will be the already-highest-compensated labor group that makes minimum plus additional gratuities of \$15-\$25 an hour *instead of the intended lower-wage worker group*.

2. Demand for restaurant meals will fall as they will be more expensive. Restaurants will earn less income than the proportional increase in prices and probably less overall because consumers have less costly choices (technically – restaurant meals have a 'negative price elasticity.').
 - a. Restaurants will order fewer supplies, require less labor & seek more labor-saving pivots
 - b. Businesses compliance with income and labor reporting requirements will decrease
 - i. We already lose employees to other enterprises paying staff 'off the books' & not reporting income, & some choose not to work because they earn too much
3. DoTax GET receipts, State-Tax, and other State income sources *will fall* as restaurants downsize.
4. Customer choice will diminish, and tourists will have fewer places to spend their dollars, effectively killing the goose that lays the golden egg and brings tourists to our shores

Restaurants are competitive businesses for both customers and labor. Government has recently learned that direct and targeted assistance to disadvantaged workers is the most effective form of economic aid.

Companies are not good agents of government policy, as illustrated above. Thus we argue that the State would achieve its goals by directly targeting the low-wage earners with benefits earned from high GET and State income taxes of a thriving local economy. Raising the minimum wage on businesses where it is not required will inhibit the very economic engine that produces jobs.

There are already two established mechanisms to successfully manage wages at restaurants. Many mainland states use these provisions to great effect: using Federally approved Tipped Wages and permitting Tip Pooling among all staff. We strongly recommend a meaningful implementation of these laws here in Hawaii to reinvigorate our local restaurant businesses.

The CBO recently estimated in January 2021 that an increase in the minimum wage to \$15 an hour would cause 1.3 million workers to lose their jobs nationwide. Hawaii needs to perform a similar analysis for its economy before setting policy without understanding its consequences. It is the responsible thing to do.

Thank you for allowing us to share our perspective on this critically important issue.

SB-676-SD-1

Submitted on: 2/20/2021 2:17:41 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Rev. Samuel L Domingo	Testifying for Faith Action for Community Equity	Support	No

Comments:

Aloha Chairs Dela Cruz and Rhoads and respective members of WAM and Judiciary:

I will make this brief in asking you pass this bill which would raise the minimum wage to \$12/hr by 2022. This will especially target women and our newest residents who are struggling to make ends meet in our state that has the highest cost of living in the country. I ask each of you to employ your sense of empathy, compassion, morality, faith, and communitarian values to give hope to these our sisters and brothers. If your hearts are so moved, I would suggest that you move one step further in setting the goal of raising the minimum wage to \$17/hr by 2026.

Mahalo,

Rev Samuel L Domingo

SAVE MEDICAID HAWAII: Medicaid is Good for Everyone in Hawai'i

DATE: Monday, February 22, 2021

TIME: 10:30 a.m.

PLACE: Via Videoconference

Support with comments re: SB 676 SD1: Amend to \$17 by 2026

Aloha,

Save Medicaid Hawaii supports SB 676 SD1, but requests that the chairs, Senator Dela Cruz and Senator Rhoads, amend the bill to, instead, raise the minimum wage to \$17 by 2026, broken down in incremental steps.

Our economy is powered through consumer spending. Businesses in Hawai'i need customers in order to survive. The pandemic-recession has made it extremely difficult for Hawai'i's low-wage families (and many middle-wage ones too) to make ends meet in an already high-cost state through reduced employment and wages, as well as through unexpected healthcare and family care costs. When those families don't have enough to cover their basic needs, they stop spending their earnings at Hawai'i businesses. Customers are workers, and workers are customers.

The roughly 11 percent increase per year that we are asking for in \$17 by 2026 will be easier for businesses to transition to than one 19 percent increase (\$12 by 2022) while doing a better job of giving working families the purchasing power they need to participate in the economy.

Data shows us that raising the minimum wage has helped small businesses in Hawai'i. The number of small businesses and small business employees increased during the last minimum wage hike between 2014 and 2018 (which raised the wage from \$7.25 to \$10.10, or about 10 percent per year). Businesses have more demand for their goods and services as wages rise across the state, helping them pay their employees more as well.

As low-wage labor is only a small portion of a business's costs, an increase in their prices of just 2 percent can completely compensate for a \$1 per year raise in the hourly minimum wage. People are happy to pay slightly more for goods if it means that employees are paid a fair wage. Mahalo for your attention to this important matter.

Respectfully,

Doris Segal Matsunaga

On behalf of *Save Medicaid Hawaii*

Save Medicaid Hawaii, a network of people advocating for NO CUTS in Medicaid and working towards a stronger health care system in Hawai'i that provides high quality universal health care for all. SMH was founded in 2018 when the Affordable Care Act and Medicaid first came under threat from the current administration in Washington .DC.
Email: savemedicaidhawaii@gmail.com Visit our webpage: <https://www.facebook.com/SaveMedicaidHawaii/>



SIERRA CLUB OF HAWAI'I

SENATE COMMITTEE ON WAYS AND MEANS

SENATE COMMITTEE ON JUDICIARY

February 22, 2021 10:30 AM

In **SUPPORT** of **SB 676 SD1**: Relating to the Minimum Wage

Aloha Chair Dela Cruz, Chair Rhoads, and members of the committees,

On behalf of our 27,000 members and supporters, the Sierra Club of Hawai'i **supports SB 676 SD1 with amendments to increase the minimum wage to \$17 per hour by 2026.**

Since 1968, the Sierra Club of Hawai'i has worked to help people explore, enjoy, and protect the unique natural environment of the Hawaiian Islands. We know that there is a nexus between the environment and economic justice issues and that a healthy environment depends on a healthy economic system. That is why we support raising the minimum wage to a more livable wage.

This bill will raise the minimum wage in Hawai'i, helping to address income inequality and create a more equitable system for all of Hawai'i's residents. The current minimum wage is vastly insufficient to cover basic needs. This forces more and more families to live paycheck-to-paycheck and make short-term decisions about their lives that usually impose a greater burden on the natural environment. Residents surviving on minimum wage salaries are more likely to live in areas with greater pollution and waste. Families struggling to make ends meet will be less empowered to seek justice when their communities are threatened, because they are too busy putting food on the table and paying rent.

The current minimum wage reinforces our income inequality and perpetuates environmental injustice. We support raising the wage to \$17 per hour because we know that with a more balanced economic system, Hawai'i's residents, our communities, and our environment as a whole will prosper. Let's give our working families a raise and increase the minimum wage.

Thank you very much for this opportunity to provide testimony in **support of SB 676 SD1.**



49 South Hotel Street, Room 314 | Honolulu, HI 96813
www.lwv-hawaii.com | 808.531.7448 | voters@lwv-hawaii.com

COMMITTEE ON JUDICIARY
COMMITTEE ON WAYS AND MEANS

MONDAY, 2/22/21, 10:30 AM, VIDEOCONFERENCE

SB676SD1 RELATING TO
Beppie Shapiro, Legislative Committee, League of Women Voters of Hawaii

Chairs Rhoads and Dela Cruz, Vice-Chairs Keohokalole and Keith-Agaran, and Committee Members:

The League of Women Voters of Hawaii supports this bill, which increases the minimum wage to \$12 beginning 7/1/22. The League also requests an amendment to bring the minimum wage closer to a “living” wage.

The League of Women Voters has long supported economic, fiscal and social policies which meet basic human needs, and acknowledges that one way of meeting many of those needs is through a “livable” minimum wage. A “living” wage allows the employed individual and dependents to purchase basic nutritionally adequate food; access transportation between home, work, and school – by public transportation where that is available; rent housing which meets certain minimal standards; and pay for health care when needed.

In 2018 DBEDT established the level of minimum wage which supports these basic human needs at \$17/hour, for a single wage earner without dependents. Inflation has increased that to \$17.63 per hour in 2020. And SB676 envisions raising the minimum wage to \$12 in 2022!

Other organizations peg the living wage at higher levels: Aloha United Way’s study ALICE (Asset Limited Income Constrained Employed) at \$19.32/hour if 2 wage earners support a household of 4, for example.

Many other states with lower costs of living have raised their minimum wage to \$15/hour. To do less in Hawaii is heartless, and sentences the tens of thousands of people in Hawaii, many of them with dependents, who currently earn less than \$15/hour, to a life of multiple jobs, reliance on government support, inadequate shared housing, and postponed health care.

The League supports ANY increase in the state minimum wage but believes that SB676SD1 should be amended to increase the minimum wage to at least \$17 by 2025, when it will already not sustain a single individual at a basic subsistence level!

Thank you for the opportunity to submit testimony.



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Executive Officers

Joe Carter, Coca-Cola Bottling of Hawaii, *Chair*
Charlie Gustafson, Tamura Super Market, *Vice Chair*
Eddie Asato, The Pint Size Corp., *Secretary/Treas.*
Lauren Zirbel, HFIA, *Executive Director*
John Schlif, Rainbow Sales and Marketing, *Advisor*
Stan Brown, Acosta Sales & Marketing, *Advisor*
Paul Kosasa, ABC Stores, *Advisor*
Derek Kurisu, KTA Superstores, *Advisor*
Beau Oshiro, C&S Wholesale Grocers, *Advisor*
Toby Taniguchi, KTA Superstores, *Advisor*

TO:

Committee on Ways and Means and Committee on Judiciary
Senator Donovan M. Dela Cruz and Senator Karl Rhoads, Chairs
Senator Gilbert S.C. Keith-Agaran and Senator Jarrett Keohokalole, Vice Chairs

FROM: HAWAII FOOD INDUSTRY ASSOCIATION

Lauren Zirbel, Executive Director

DATE: February 22, 2021
TIME: 10:30am
PLACE: Via Videoconference

RE: SB676 SD1 Relating to Minimum Wage

Position: Oppose

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 is in opposition to this measure. The fact is that raising minimum wage will force more Hawaii businesses to cut staff and close. Our state has been the hardest hit by the economic crisis caused by the COVID-19 pandemic. We have already seen dozens of businesses close. Many local businesses that have been job providers and staples in their communities for years have now closed their doors for good.

Raising minimum wage at a time when it will cause businesses to close and eliminate jobs is self-defeating.

Large national chains have weathered this storm because they can take advantage of economy of scale and rely on profits from the mainland where they have not suffered the economic losses that we have here. Local businesses do not have these options. An increase in minimum wage now will disproportionately impact these local Hawaii businesses, and for some this will be one challenge too many for them to overcome.

In order to continue providing jobs, serving their communities, paying taxes, and driving the local economy our local business need time to recover. This bill is not the right choice right now and we ask that it be held. Thank you for the opportunity to testify.



Senate Committee on Ways and Means & Senate Committee on Judiciary

Hawai'i Alliance for Progressive Action supports: SB 676 SD1 with amendments

Monday, February 30, 2019, 9:00 a.m. Conference Room 309

Aloha Chair Dela Cruz, Chair Rhoads, Vice Chair Keith-Agaran, Vice Chair Keohokalole and Members of the Committee,

On behalf of the Hawai'i Alliance for Progressive Action (HAPA) I am submitting testimony in **support of SB 676 SD1 with amendments.**

We appreciate the intent of this bill and the legislature's focus on addressing the struggles of low-income and working families this session. However we respectfully encourage the committee to consider increasing the minimum wage to a truly living wage.

\$12 an hour is about \$21,000 a year for full-time work. That's not enough to live on in Hawai'i. In the most expensive state in the nation, Hawai'i's minimum wage workers need to make enough to be able to afford the basics. **That is why we are requesting that the committee amend the bill to raise the minimum wage to \$17.**

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. With inflation eroding their pay, **\$10.10 now is worth only \$9.68**, so full-time 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.

Why \$17 rather than \$15, or some other number?

Any less than \$17 would not be enough to pay for basic needs such as food, housing, transportation, health care, let alone incidentals and emergencies. According to data from the Hawai'i Department of Business, Economic Development & Tourism, the self-

sufficiency income standard for a single adult with no children in 2016 was nearly \$33,000 per year, or \$15.84 per hour for full-time work with no weekdays off.

The self-sufficiency wage for that same adult rises to \$27.00 per hour with the addition of a child.

Due to the large disparity between the current minimum wage and a living wage, many individuals work two or more jobs to maintain a basic standard of living for themselves and their families. While \$17 is a good target for 2019 legislation, inflation and the cost of living will continue to rise. That's why we are asking for legislation to include automatic adjustments based on the consumer price index, to keep the minimum wage at a livable level in perpetuity.

Isn't \$17 an awfully big increase?

The minimum wage has been falling behind the cost of living for more than 35 years. If it had kept up with productivity and inflation, it would be more than \$15 by now. The proposed increase in Hawai'i would not happen overnight. Instead, it would be implemented in steps over multiple years to allow businesses to adjust accordingly. Other high-costs states, such as California and New York, as well as Washington D.C., have already passed laws to increase their minimum wage to \$15 in steps. Our cost of living is higher than these jurisdictions, however.

How would this affect small businesses?

Small businesses need customers. A \$17 minimum wage would put additional money in the pockets of the people most likely to spend in their communities, and the higher wages mean more productive employees and lower turnover for small businesses. Research shows that higher wages raise worker morale, productivity, and loyalty, which reduces employers' turnover, hiring, and training costs.

Would prices go up?

Price increases are a built-in part of our economic system. Because businesses are under pressure to increase profits, prices go up even when wages don't. Economist Robert Reich says that a \$15 minimum wage is unlikely to result in significantly higher prices because the businesses most affected are in intense competition for customers and would sooner reduce profits than increase prices more than a few cents.

Would people lose their jobs?

Despite claims to the contrary, decades of research has shown that raising the minimum wage does not increase unemployment rates.

The latest major study, in 2017, found that, on average, [137 minimum wage increases](#)¹ since 1979 reduced the number of jobs paying LESS than the new minimum while also adding jobs paying AT OR ABOVE the new minimum, effectively canceling each other out.

In 2016, President Obama's Council of Economic Advisers looked at [19 recent state-level minimum wage hikes](#)² and concluded that "the recent legislation contributed to substantial wage increases with no discernible impact on employment levels or hours worked."

Another paper in 2015 analyzed [15 years of minimum wage research](#)³ and found "no support for the proposition that the minimum wage has had an important effect on U.S. employment." A 2013 study [reviewed the literature since 2000](#)⁴—including two meta-studies—and concluded that minimum wage increases "have no discernible effect on employment."

Last summer, a University of Washington paper that found [negative job effects from Seattle's minimum wage increase](#)⁵ made a lot of headlines mainly because it contradicted the existing body of research. In fact, a few days earlier, a University of California, Berkeley, study that found that [Seattle's minimum wage increase had beneficial effects](#)⁶ drew almost no media attention.

Since then, major flaws in the University of Washington paper have been found by economists at institutions such as the [Economic Policy Institute](#)⁷, the [University of California, Berkeley](#)⁸, and the [Center for American Progress](#)⁹. As a result, some eminent economists who initially affirmed the Seattle paper have [retracted their endorsements](#)¹⁰ of it.

¹ <https://www.sole-jole.org/17722.pdf>

² <https://voxeu.org/article/minimum-wage-increases-and-earnings-low-wage-jobs>

³ https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2705499

⁴ <https://cepr.net/press-center/press-releases/new-paper-finds-modest-minimum-wage-increases-have-little-impact-on-employment>

⁵ <https://evans.uw.edu/wp-content/uploads/files//NBER%20Working%20Paper.pdf>

⁶ <https://irle.berkeley.edu/files/2017/Seattles-Minimum-Wage-Experiences-2015-16.pdf>

⁷ <https://www.epi.org/press/university-of-washington-analysis-of-seattle-minimum-wage-increase-is-fundamentally-flawed/>

⁸ <https://irle.berkeley.edu/files/2017/Reich-letter-to-Robert-Feldstein.pdf>

⁹ <https://www.americanprogress.org/issues/poverty/news/2017/06/28/435220/five-flaws-new-analysis-seattles-minimum-wage/>

¹⁰ <https://www.washingtonpost.com/news/wonk/wp/2018/02/05/raising-the-minimum-wage-doesnt-cost-jobs-multiple-studies-suggest/>

I worked hard to make more than \$17. What about me?

Many people believe that low-wage workers are lazy, but nothing could be further from the truth: many work more than full-time hours to pay their bills. The labor market is competitive, and a higher minimum wage drives all wages higher in the same way a low minimum wage drives all wages lower. A \$17 minimum wage would give workers in the skilled trades more leverage to demand higher wages and fight back against the anti-worker policies that have made the rich richer and everyone else poorer.

What about all the problems that a \$17 minimum wage won't solve?

There are many serious problems in our world, and we can't solve them all at once. A \$17 minimum wage is a winnable reform that will give Hawai'i families a much-needed raise.

HAPA is a member of the Common Good Coalition and Raise Up Hawai'i.

Mahalo for your consideration,



Anne Frederick

Executive Director



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

February 19, 2021

Chair Dela Cruz, Chair Rhoads, Vice Chair Keith-Agaron, Vice Chair Keohokalole, and members of both committees,

My name is Jimmy Chan and I oppose SB 676 SD1, the proposed increase of Hawaii's minimum wage. I own the Hawaiian Chip Company (local sweet potato/taro chip manufacturer) and would like to pay my hardworking employees higher wages. However, past raises to the minimum wage keep interfering with that ability. The only individuals that would earn the minimum wage at my company are unskilled hires, those brand new to the work force (part timers, high school, college, etc.), or hires that create chronic disciplinary problems (history of insubordination, tardiness, absenteeism, etc.) which disrupt productivity in a workplace. Paying this demographic more without merit leaves less on the table to pay my reliable, dedicated full time workers what they deserve.

I had to cut 10% of my workforce because of COVID-19 related revenue loss. My company is already burdened with paying over \$500 a month in medical insurance for each fulltime employee, per Hawaii state law. Raising the minimum wage now, will force small companies like mine to reconsider how many full-time positions it will be able to afford keeping.

Raising the minimum wage will never result in it "catching up" to inflation because it directly contributes to inflation. As the labor costs for businesses increase, so will prices. Small businesses will not be able to absorb these increases and get priced out of markets. Therefore, an increase in the minimum wage will result in a greater number of business closures during this pandemic. As more small businesses close, more jobs will be lost.

Let's build a strong economy by rewarding merit and accomplishment, instead of fueling entitlement which hurts us all. Please, do not raise the minimum wage. Especially at such a critical time when small businesses like mine are already suffering from significant revenue loss and doing everything possible to keep the lights on.

Mahalo,

A handwritten signature in black ink, appearing to read "Jimmy Chan", is written over a horizontal line.

Jimmy Chan



February 20, 2021

To: Senate Committee on Ways and Means Chair Donovan Dela Cruz, Vice Chair Gilbert Keith-Agaran, and Committee members

To: Senate Committee on Judiciary Chair Karl Rhoads, Vice Chair Jarrett Keohokalole and Committee members

From: Amy Monk, Co-Chair Hawaii Democratic Women's Caucus

Subject: Testimony in SUPPORT of SB676 SD1

Thank you for the opportunity to offer testimony in SUPPORT of SB676 SD1 to raise the minimum wage.

Because Hawai'i has the highest cost of living in the United States, I hope the Legislature will enact a \$12 minimum wage and also find a way increase the minimum wage above \$12 per hour proposed in this bill.

The World Population Review in their Cost of Living Index 2021 said, "The state with the highest cost of living index is Hawaii, whose index is 196.3. This means that the cost of living in Hawaii is 96.3% higher than the U.S. average. Hawaii's housing index is 336.3, where a two-bedroom costs about \$1,895 per month, and the median home value is about \$660,000. Groceries are also significantly more expensive in Hawaii since it is an island and most goods need to be shipped in. Hawaii's livable wage is \$61,000." That level of livable wage translates to \$30 per hour.

Of the most expensive states, the minimum wage in the District of Columbia is \$15/hr., in California, it is \$13 and going to \$14 in 2021 for employers with over 26 employees, in Washington state it is \$13.50 going to \$13.69 in 2021. Despite being the most expensive state in the United States, 20 other states have higher minimum wages than Hawai'i.

Even Hawai'i Department of Business, Economic Development and Tourism 2019 report data show we need a substantial increase in the minimum wage. DBEDT said, an individual needed to earn \$35,143 to be self-sufficient, a couple needed \$44,998, and couple with a pre-school child needed \$59,428. To earn that amount, a single person would need to earn a about \$17 an hour to be self-sufficient.

Me ke aloha pumehana,

Amy Monk,



**THE SENATE
THE THIRTY-FIRST LEGISLATURE
REGULAR SESSION OF 2021**

COMMITTEES ON WAYS AND MEANS AND JUDICIARY

Senator Donovan Dela Cruz, Chair
Senator Gilbert Keith-Agaran, Vice Chair

Senator Karl Rhoads, Chair
Senator Jarrett Keohokalole, Vice Chair

Monday, February 22, 2021, 10:30 AM
Conference Room 211 and Videoconference

Re: Testimony in Support of SB676 SD1 - RELATING TO THE MINIMUM WAGE

Chairs Dela Cruz and Rhoads, Vice Chairs Keith-Agaran and Keohokalole, and Members of the Committees on Ways and Means and Judiciary:

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** SB676 SD1, which increases the minimum wage for certain employees to \$12.00 per hour beginning on July 1, 2022. 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. Any type of increase to the current minimum wage level will help to benefit blue-collar and working-class employees. While this bill’s proposed increase is just to \$12 per hour by 2022, UPW does support increases to the minimum wage in future years, should the Legislature consider legislation to do so.

Thank you for the opportunity to provide testimony.



Young Progressives Demanding Action
P.O. Box 11105
Honolulu, HI 96828

February 20, 2021

TO: Senate Committees on Ways & Means and the Judiciary
RE: Testimony in support of SB676 SD1 requesting substantive amendments

Dear Senators,

Young Progressives Demanding Action (YPDA) strongly supports the intent of SB676 SD1 to raise the state minimum wage. However, we respectfully ask that this joint committee amend SB676 SD1 to implement a gradual increase in the minimum wage from \$10.10 to \$17.00 by January 1, 2026.

This increase of roughly 11 percent per year is comparable to previous minimum wage increases that have strengthened Hawai'i's economy and grown small businesses in the past. Additionally, a phased-in approach like this will be easier for businesses to handle than the 19 percent increase currently proposed in the SD1 (\$10.10 to \$12.00 in one year). Finally, our proposal would bring the minimum wage closer to a true living wage in the long run, which is what working families need in order to survive in Hawai'i.

If the minimum wage remains at \$12 after 2022 for another four years (as it has remained at \$10.10 since 2018), that would mean that—in 2026—the minimum wage will be worth only \$10.35 in 2021 dollars. Workers would essentially be earning exactly the same amount as they already are, while costs for housing, food, healthcare, family care and transportation will all have continued to increase. And we are already behind: The Hawai'i minimum wage in 1968 was \$1.60. That's worth \$12.03 today.

A true “living wage” is a minimum wage that is sufficient to cover the basic cost of living in Hawai'i without relying on taxpayer funded government subsidies such as the Supplemental Nutrition Assistance Program (SNAP). According to the State Department of Business, Economic Development and Tourism (DBEDT), the minimum amount a single worker would need to earn in order to make ends meet in Hawai'i was \$15.84 an hour in 2016. Adjusted for inflation, that

means its well over \$18 in 2021. Many other studies and calculators [put the minimum living wage even higher](#).

Our chronically low wages, when adjusted for the cost of living here, are creating an unsustainable economic situation in Hawai'i. Without a dramatic change in economic policy to create a more equitable system that works for everyone, the working folks who make up the backbone of Hawai'i's economy and who are its social fabric will no longer be able to remain in Hawai'i. As the working class is driven out of the archipelago or further into poverty, the economic base of the state will continue to shrink

WHY IS THIS IMPORTANT NOW?

Our economy is powered through consumer spending. Businesses in Hawai'i need customers to survive. The pandemic-recession has made it extremely difficult for Hawai'i's low-wage families (and many middle-wage ones too) to make ends meet in an already high-cost state through reduced employment and wages, as well as through unexpected healthcare and family care costs. When those families do not have enough to cover their basic needs, they stop spending their earnings at Hawai'i businesses. Customers are workers, and workers are customers.

If we want to end this pandemic-recession quickly and with minimal pain and suffering for both businesses and workers, we need to make sure that working families have enough money to act as customers, and the single most effective way to ensure that is to raise the minimum wage to a livable level.

HOW WILL BUSINESSES PAY FOR IT?

Data shows us that in Hawai'i, raising the minimum wage helps small businesses. The number of small businesses and small business employees increased during the last minimum wage hike between 2014 and 2018 (which raised the wage from \$7.25 to \$10.10, or about 10 percent per year).

Businesses have more demand for their goods and services as wages rise across the state, helping them pay their employees more as well.

As low-wage labor is only a small portion of a business's costs, an increase in their prices of just 2 percent can completely compensate for a \$1 per year raise in the hourly minimum wage. Most people are happy to pay slightly more for goods if it means that employees are paid a fair wage.

QUICK FACTS

Fewer than 65 percent of jobs in Hawai'i pay a living wage.

The myth that minimum wage jobs are for high school students and not meant to live on is as pervasive as it is false. In fact, [fewer than two-thirds of jobs](#) in Hawai'i pay enough to live on, affecting more than 200,000 workers.

The reality is that a lot of minimum wage jobs are vital to the health of a functioning society. Simply put, we need people who take these vital jobs—like farm workers, housekeepers, nursing assistants, fishing industry workers, construction workers, and yes, fast food workers—to be able to lead secure, happy lives, so they'll keep doing those jobs. And we should certainly pay them what they're worth to society, which is at least a living wage.

Raising the minimum wage does not cost people jobs.

Decades of research shows that raising the wage does not lead to layoffs. (A controversial University of Washington study that claimed otherwise has been [credibly debunked](#).) Businesses would much rather make other adjustments and are almost always able to do so. People working multiple jobs might leave one job once the other pays enough to live on, which would force businesses to compete for good workers, letting the market do what it does best.

This is exactly what happened during our own recent experience with minimum wage hikes from 2014–18. During that time, unemployment in Hawai'i [decreased by more than 50 percent](#) between 2014, to historic lows.

Purchasing power will easily out-pace price increases.

Another myth that opponents of minimum wage increases like to toss around is that the price increases that accompany wage increases will negate the impact of the wage increases. In order for a 1-to-1 ratio of wage increases to price increases to be necessary, 100 percent of a businesses costs would need to be going to wages. This is obviously false, especially for employers that pay an increasingly weak minimum wage.

In fact, the average company spends between 30–40 percent of its costs on employee wages. If completely passed on to the consumer, a 10 percent increase in wages each year would therefore require a mere 3–4 percent increase in prices to compensate. A \$6 sandwich might cost \$6.25 after the first year's increase. What actually happens is that businesses find other places to save money in order to remain competitive, which is why prices usually increase at a rate closer to 2 percent per year to cover 10 percent raises.

Restaurants in particular raise their prices all the time anyway. It is a built-in feature of the consumer economy. Consumers have no trouble handling these incremental increases normally. They will have even less trouble when their take-home pay increases because of rising wages. This has been repeatedly proven in studies such as one [from Purdue University](#), showing that the average cost of a Big Mac would rise by all of 22 cents, or in one [from UMass-Amherst](#), which found that a wage increase from \$7.25/hour to \$15/hour, phased in over a

period of four years, would have little to no impact on the fast food industry's profit margins in general.

The wage increase will not be all at once.

Step-by-step implementation of at least 10 percent per year would catch us up to where we need to be in a reasonable timeframe while giving businesses ample time to adjust and plan accordingly. This approach has proven successful in both states and municipalities across the country.

Raising the wage increases productivity and saves money.

Research also shows that businesses that raise their wages attract and retain better workers that show up with [higher morale and increased loyalty](#), as well as [more productivity](#). Factor in a [drop in the cost of constantly retraining new employees](#), as well as a [drop in healthcare costs](#), and it is entirely reasonable to state that a phased-in increase to the minimum pays for itself in cost-savings for business.

Raising the wage will not cause a massive increase in tax bills.

Contrary to what many people think, if an increase in the wage bumps a worker up into a higher tax bracket, said worker does not suddenly pay that higher tax rate on all their income—just on the income difference that put them over the bracket threshold. If their new income is \$100 over the threshold, they only pay the higher tax rate on that \$100, not their entire income. This is called [marginal tax rates](#).

Raising the minimum wage benefits higher wage workers too.

Just as a low minimum wage drags all other wages down, a high minimum wage gives workers in the skilled trades more leverage to demand higher wages. In fact, when the minimum wage is increased, everyone making within 150 percent of the new minimum ultimately sees a [corresponding increase](#).

The Democratic Party of Hawai'i supports a livable minimum wage.

The party passed a [resolution](#) in 2018 calling for a livable minimum wage, and the party's legislative committee has consistently made passage of legislation creating such a wage a priority. Hawai'i's lawmakers are comprised of a super majority of Democrats.

BACKGROUND

According to economist James Galbraith, raising the minimum wage would raise the incomes of 28 million Americans. Women would particularly benefit because they tend to work for lower wages than men. As Galbraith sees it, raising the minimum wage is family-friendly policy.

To get the economy back on track, spending power has to be in the hands of those who actually spend in the real economy. That means regular people, not the super-wealthy who tend to hoard wealth or invest in financial products. The minimum wage story is not just a story about income inequality, but rather it is about an elite that has hijacked the economic system and made it work less productively than before while redistributing more of what is working to themselves.

During the early part of the post-war period—particularly the 1950s and 1960s, when the Democratic Party of Hawai'i was formed and took power—entrepreneurship was more concerned with building productive capacity and putting workers to work actually making useful things as opposed to creating financial Frankenstein products like credit default swaps.

A higher minimum wage would also help to mitigate the abusive, exploitative working practices of a number of employers who take advantage of the currently low minimum wage to seek cut-rate help. Such employers often use undocumented labor, which further undermines America's working poor.

The past 40 years have witnessed a dramatic redistribution of national and personal income in favor of profits for the rich. At the same time, this period has been associated with a dramatic decline in the performance of the U.S. economy. Raising the minimum wage is the minimum we can do for those who have suffered from this economic crisis: the working population. It would be an act of justice, and an economically sound one at that.

Mahalo for the opportunity to testify,

Will Caron
Board President & Secretary
action@ypdahawaii.org

SB-676-SD-1

Submitted on: 2/20/2021 6:07:40 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Dirk Koeppenkastrop	Testifying for IL Gelato Hawaii	Oppose	No

Comments:

To:

Sen. Donovan M. Dela Cruz, Chair

Sen. Gilbert S.C. Keith-Agaran, Vice Chair

Members of the Committee on Ways and Means

Sen. Karl Rhoads, Chair

Sen. Jarrett Keohokalole, Vice Chair

Members of the Committee on Judiciary

From: Dirk Koeppenkastrop, Ph.D

Subj: SB 676 SD 1 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 one in Waikiki is already closed. We used to employ over 70 people and due to COVID-19 are down to less than 30. 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 50% from prior year and we are losing a lot of money 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. Recently we had no other option to increase our scoop prices from \$3.75 to \$4.50 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 our businesses are in jeopardy and 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. Please consider the consequences it will have on our community.

Thank you for your time and consideration of my concerns.

Dirk Koeppenkastrop, Ph.D.

Owner



SB 676, SD 1, RELATING TO THE MINIMUM WAGE

FEBRUARY 22, 2021 · SENATE WAYS AND MEANS
AND JUDICIARY COMMITTEES · CHAIRS SEN.
DONOVAN DELA CRUZ AND SEN. KARL RHOADS

POSITION: Comments.

RATIONALE: Imua Alliance provides the following comments and suggested amendments for SB 676, SD 1, relating to the minimum wage, which increases the minimum wage for certain employees to \$12.00 per hour beginning 7/1/2021.

A living wage is a human right. 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. Adjusted for inflation, DBEDT's reporting shows that in 2020, a single minimum wage worker must earn at least \$17.63 to survive on our shores, a number that rises to \$18.22 for Honolulu. At our current statewide minimum wage rate of \$10.10 per hour, however, a full-time minimum-wage employee earns only \$21,008 annually, \$15,000 less than what's needed to meet her basic needs. If our cost of living returns to standard pre-COVID inflation of roughly 3 percent per year, then the minimum wage needed for a single individual to survive in Hawai'i in 2024 could be \$19.85/hour or \$41,288/year.

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 2020* report found that a full-time worker would need to earn \$38.76/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 117 hours per week to afford a modest one-bedroom apartment at fair market value and 153 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 42 percent of Hawai'i residents are renters (a number that does not include individuals and families renting outside of the regulated rental market), they earn an average wage of \$17.17/hour, according to NLIHC, scarcely enough to 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 \$880,000 last October, 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 third consecutive year in 2019, 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 8,866 people from July 2019 to July 2020, when births, deaths, and migration were accounted for. That population drop is nearly double the loss seen in 201, when Hawai'i one of just ten states in the country to lose population, according to the U.S. Census Bureau. People are simply being priced out of paradise.

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, especially 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 phase in a minimum wage increase to \$17 by 2026.** Hawai'i's current minimum wage, adjusted for inflation, amounts to merely \$8.52, which is far below what's needed to survive, much less thrive, on our shores. **In fact, the eight states (including Washington D.C.) with the highest cost of living other than Hawai'i—New York, California, New Jersey, Maryland, Connecticut, Massachusetts, Washington, and the District of Columbia—have all passed laws to raise their minimum wages to at least \$15 over the next five years.** We should follow suit by providing economic justice to the hardworking families that form the heartbeat of our economy and whose financial situation becomes more precarious with each passing year. **We also urge the committee to eliminate the tip credit and tie future minimum wage increases to the cost-of-living index,** so that the financial security of working families is no longer weaponized for political profiteering or electoral gain.

Over two-thirds of Hawai'i's economy is predicated upon consumer spending. As we work to overcome the fiscal emergency that besieged us last year, 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 676, SD 1, RELATING TO THE MINIMUM WAGE

FEBRUARY 22, 2021 · SENATE WAYS AND MEANS
AND JUDICIARY COMMITTEES · CHAIRS SEN.
DONOVAN DELA CRUZ AND SEN. KARL RHOADS

POSITION: Comments.

RATIONALE: The Democratic Party of Hawai'i Education Caucus provides the following **comments and suggested amendments** for SB 676, SD 1, relating to the minimum wage, which increases the minimum wage for certain employees to \$12.00 per hour beginning 7/1/2021.

A living wage is a human right. 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. Adjusted for inflation, DBEDT's reporting shows that in 2020, a single minimum wage worker must earn at least \$17.63 to survive on our shores, a number that rises to \$18.22 for Honolulu. At our current statewide minimum wage rate of \$10.10 per hour, however, a full-time minimum-wage employee earns only \$21,008 annually, \$15,000 less than what's needed to meet her basic needs. If our cost of living returns to standard pre-COVID inflation of roughly 3 percent per year, then the minimum wage needed for a single individual to survive in Hawai'i in 2024 could be \$19.85/hour or \$41,288/year.

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 2020* report found that a full-time worker would need to earn \$38.76/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 117 hours per week to afford a modest one-bedroom apartment at fair market value and 153 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 42 percent of Hawai'i residents are renters (a number that does not include individuals and families renting outside of the regulated rental market), they earn an average wage of \$17.17/hour, according to NLIHC, scarcely enough to 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 \$880,000 last October, 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 third consecutive year in 2019, 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 8,866 people from July 2019 to July 2020, when births, deaths, and migration were accounted for. That population drop is nearly double the loss seen in 2011, when Hawai'i was one of just ten states in the country to lose population, according to the U.S. Census Bureau. People are simply being priced out of paradise.

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, especially 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 phase in a minimum wage increase to \$17 by 2026.** Hawai'i's current minimum wage, adjusted for inflation, amounts to merely \$8.52, which is far below what's needed to survive, much less thrive, on our shores. **In fact, the eight states (including Washington D.C.) with the highest cost of living other than Hawai'i—New York, California, New Jersey, Maryland, Connecticut, Massachusetts, Washington, and the District of Columbia—have all passed laws to raise their minimum wages to at least \$15 over the next five years.** We should follow suit by providing economic justice to the hardworking families that form the heartbeat of our economy and whose financial situation becomes more precarious with each passing year. **We also urge the committee to eliminate the tip credit and tie future minimum wage increases to the cost-of-living index,** so that the financial security of working families is no longer weaponized for political profiteering or electoral gain.

Over two-thirds of Hawai'i's economy is predicated upon consumer spending. As we work to overcome the fiscal emergency that besieged us last year, 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, Democratic Party of Hawai'i Education Caucus ·

(808) 679-7454 · kriscoffield@gmail.com

TO: Committee on Ways & Means

Committee on Judiciary

FROM: Adrian Hong, President of Island Plastic Bags, Inc.

RE: SB 676 SD1 Relating to the Minimum Wage

POSITION: STONGLY OPPOSE

Thank you for the opportunity to submit testimony in strong opposition to SB 676 SD1. My name is Adrian Hong and I am the president of Island Plastic Bags Inc. (IPB), a second-generation, family business in Halawa Valley that manufactures plastic trash liners and food grade bags. Now is not the time to increase minimum wage in the State of Hawaii given the incredible struggles that small businesses are suffering because of the pandemic.

At the onset of the pandemic, I told my employees that we would not lay anyone off because of the pandemic. I told them that they would still have all their health and 401K benefits. Almost a year on, we have kept that promise but it has been by no means easy. 2020 was the worst year on record for our company. Our revenues in 2020 were down 36% compared to the previous year.

While a PPP loan and the Small Business Recovery & Relief Fund grant we received helped tremendously, we are still very far away from operating at a sustainable level of revenues. The absolute last thing we need is more taxes on our struggling business. The harder you make it for small businesses, the less of them will survive the pandemic. That will cost the state jobs, tax revenues, and a more vibrant and diverse economy in the future.

I understand that as legislators that you only have difficult decisions ahead of you this session, but I urge you to think of what will happen if more small businesses go under. Thank you for the opportunity to provide testimony in strong opposition to SB 676 SD1. Should you have any questions or comments about my testimony you can contact me by email at ahong@islandplasticbags.com or by phone at 808-484-4046.

Sincerely,

Adrian K. Hong, CPA*

President

Island Plastic Bags, Inc.

www.islandplasticbags.com

Email: ahong@islandplasticbags.com | Phone: 808-484-4046 | Fax: 808-488-8505

*Not in public practice



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Kua'āina Ulu 'Auamo

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Brent N. Kakesako
Executive Director

Keoki Noji
Chief Operating Officer

Merri Keli'ikuli
Office Manager & Program Support

Sean Tangco
Program Specialist

Angelica Penaran
AmeriCorps VISTA

Pua Lani Yang
AmeriCorps VISTA

Date: February 21, 2021
To: Senator Donovan M. Dela Cruz & Senator Karl Rhoads, Chairs, Senator Glibert S.C. Keith-Agaran & Senator Jarrett Keohokalole, Vice-Chairs, and members of the Committees on Ways and Means & Judiciary
From: Brent Kakesako, Hawai'i Alliance for Community-Based Economic Development (HACBED)
Re: Support for SB 676 SD1 with amendments

Aloha Chairs Dela Cruz & Rhoads, Vice-Chairs Keith-Agaran & Keohokalole, and Committee Members,

The Hawai'i Alliance for Community-Based Economic Development (HACBED) supports SB 676 SD1, with amendments, which increases the minimum wage to \$12 per hour beginning July 1, 2022. We ask that the bill be improved to raise the wage to at \$17 per hour by 2026, broken down in manageable, incremental steps.

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 676 SD1 and the requested amendments would increase our state's minimum wage to \$17 by 2026 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



HIPHI Board

*Kilikina Mahi, MBA
Chair
KM Consulting LLC*

*Michael Robinson, MBA, MA
Immediate Past Chair
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*Keshia Adolpho, LCSW
Molokai Community Health
Center*

*Keawe'aimoku
Kaholokula, PhD
John A. Burns School of
Medicine, Department of
Native Hawaiian Health*

*Mark Levin, JD
William S. Richardson School
of Law*

*Rachel Novotny, PhD, RDN, LD
University of Hawai'i at
Mānoa, College of Tropical
Agriculture and Human
Resources*

*May Okihiro, MD, MS
John A. Burns School of
Medicine, Department of
Pediatrics*

*Misty Pacheco, DrPH
University of Hawai'i at Hilo,
Department of Kinesiology and
Exercise Sciences*

*Garret Sugai
Kaiser Permanente*

Date: February 21, 2021

To: Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair
Members of the Ways and Means Committee

Senator Karl Rhoads, Chair
Senator Jarrett Keohokalole, Vice Chair
Members of the Judiciary Committee

Re: Support for SB 676, SD1, Relating to the Minimum Wage

Hrg: February 22, 2021 at 10:30 AM via Videoconference

The Hawai'i Public Health Institute¹ is in **Support of SB 676, SD1 and offers an amendment.** SB 676, SD1 increases the minimum wage to \$12 per hour by 2022.

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 are falling further and further behind in their ability to make ends meet. Hawai'i workers need a raise to build economic opportunity and a better future for our families.

Because the minimum wage should be a living wage, we request that the bill be amended to raise the minimum wage to \$17 by 2026. The Department of Business, Economic Development & Tourism (DBEDT) estimates that a single person with no children in Hawai'i needs to earn \$17.63 an hour to "meet their basic needs" in 2020ⁱⁱ.

Thank you for the opportunity to provide testimony.

Mahalo,



Jessica Yamauchi, MA
Executive 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.



**Testimony to the Senate Committees on Ways and Means and Judiciary
Monday, February 22nd, 2021 at 10:30am
Conference Room 211, State Capitol
RE: SB676 Relating to the Minimum Wage**

Position: Support

Members of the Ways and Means and Judiciary Committees:

Hawaii's Minimum Wage Falls Short

While [\\$17 per hour](#) is needed for full-time workers to afford their basic needs, Hawaii's minimum wage is only [\\$10.10 per hour](#). More than [150,000 full-time workers](#) in Hawaii earn less than the \$35,000 that's needed to make ends meet. The [national](#) and local [Hawaii](#) Democratic Party platforms both call for a \$15 minimum wage. [8 states](#) are on their way to a \$15+ minimum wage.

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 \$15+ Minimum Wage Nationally

President Joe Biden and national Democrats are pushing hard to make a \$15 minimum wage a reality by 2025. Republicans could stand in the way of this bill becoming law, but with a Democratic supermajority in Hawaii, we can make this a reality on our own. Both the national and Hawaii Democratic parties support this.

Please amend this bill to provide Hawaii workers with a \$17 minimum wage by 2026



To: Senate Committee on Ways & Means
Senate Committee on Judiciary

Attn: Chair(s) Donovan Dela Cruz & Karl Rhoads, Vice Chair(s) Gilbert Keith-Agaran & Jarrett Keohokalole, Committee members

Hawai'i Workers Center Testimony for February 22, 2021's Joint Committee Hearing **Supporting With Amendments, SB676 SD1 Relating to the Minimum Wage, Which Would Raise the Minimum Wage For All Employees Except Those Covered Under HRS 387-9 From \$10.10/hr to \$12/hr in July 1, 2022.**

The Hawai'i Workers Center (HWC) is a resource and organizing center which addresses the issues and concerns of unemployed workers, low-wage workers and immigrants. For the past several months, we have been publicly advocating for unemployed workers, urging the Department of Labor & Industrial Relations (DLIR) to reopen its unemployment offices and provide safe, direct, in-person services for the thousands of workers who have been furloughed or permanently laid off since March 2020. Given the poor condition of DLIR's archaic mainframe computer, the difficulty of submitting a claim, and the department's failure to be responsive to claimants' emails and phone calls, direct servicing that keeps claimants and public employees safe is urgent and essential.

We sincerely appreciate that the committees are willing to hear a bill to raise the minimum wage despite pressures to look to austerity as an economic and political solution. But while raising the wage to \$12/hr in 2022 is helpful, it's far from enough for working class families. Before the COVID pandemic, these families were already working multiple jobs, and struggling to survive in the state with the highest cost of living. The pandemic has made this inequality worse. Hours are being reduced, jobs are being cut, and people will need to stay at home to protect their health and the health of their family members.

We have a lot of work to do, but to begin to seriously address the immediate needs of workers and their families, the Hawai'i Workers Center offers the following amendment: **Raise the minimum wage to \$15/hr by 2022 to make up for the increases that should have been made as cost of living went up, until it reaches \$17/hr by 2026. These increases should be gradual rather than enacted at just one time so that workers can immediately start to use the wage increases to pay the bills, as well as use what's left over to spend on local businesses and have a financial foundation to weather the pandemic and beyond. This would be a win for working class families and our consumer oriented economy.**

Despite the continuous fear mongering by employers, raising the minimum wage does not actually hurt businesses. On the contrary, data shows us that raising the minimum wage has actually helped small businesses in Hawai'i. The number of small businesses and small business employees increased during the last minimum wage hike between 2014 and 2018 (which raised the wage from \$7.25 to \$10.10, or about 10 percent per year). Businesses have more demand for their goods and services as wages rise across the state, helping them pay their employees more as well. Low-wage labor is only a small portion of a business's costs, so incrementally raising the wage will ensure that there isn't a significant increase in the prices.

Giving workers a raise would allow for more people to be able to pursue creative interests, open up small businesses, live less stressful lives, buy homes, pay student loans or further their education, and spend more time with their families as they would need to worry less about their economic futures. This would be the real thank you that essential workers in retail, fast food, caregiving, teaching, etc deserve. For workers who are already making \$15 or higher, an increase for low-wage workers would give them the opportunity to raise the floor on their own wages and further their rights as workers.

Alongside an adequate minimum wage increase for current workers, we also need to extend relief to the workers who are currently unemployed, furloughed, or have yet to be rehired/recalled back to their jobs. There are many who still have been unable to file unemployment claims or who are having trouble with their current claims. We need to continue to urge the DLIR Director and other state officials to implement solutions like safely reopening DLIR offices in each county for direct in-person services, resolving staffing shortages and technological issues/inadequacies at the Unemployment Insurance office, and opening up computers in public spaces like libraries with trained staff. This will help ensure that unemployed workers can be served directly so that they can get assistance as needed, allowing for families to be able to finally receive some relief.

One Job Should Be Enough!

Submitted by Rev. Sam Domingo, John Witeck, and Jun Shin of the Hawai'i Workers Center

Phone Number: 808-255-6663

Email: hiworkerscenter@gmail.com

LATE

SB-676-SD-1

Submitted on: 2/21/2021 12:20:14 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Brett Kulbis	Testifying for Honolulu County Republican Party	Oppose	No

Comments:

Re: S.B. No. 676 RELATING TO MINIMUM WAGE

The Honolulu County Republican Party **OPPOSES** 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 Hawaii and will force more out of business. Any remaining business will hire fewer employees and will cut back on the hours of existing employees.

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

Instead of raising the minimum wage you should be looking at reducing taxes and regulations on small businesses to allow them to keep more of their earnings so they reinvest that money and raise wages as they see fit. Did we not learn anything from the local successes of the tax cuts implemented by the last administration, lets refresh our memories:

- Royal Hawaiian Heritage Jewelry (Honolulu, Hawaii) – The company opened additional retail locations, creating new jobs.
- Hawaiian Electric, Maui Electric, Hawai'i Electric Light (Honolulu, Hawaii) – The utility passed along tax savings to customers.
- Apple (Three Apple store locations in Honolulu: Ala Moana, Kahala, Royal Hawaiian) - \$2,500 employee bonuses in the form of restricted stock units.
- American Savings Bank (Honolulu, Hawaii) - \$1,000 bonuses to 1,150 employees; base wage raised from \$12.21 to \$15.25.
- Bank of Hawaii (Honolulu, Hawaii) – \$1,000 bonuses to 2,074 employees; base wage raise from \$12 to \$15.

- Central Pacific Bank (Honolulu, Hawaii) – All 850 employees received \$1,000 bonuses; base wage raised from \$12 to \$15.25.
- First Hawaiian Bank (Honolulu, Hawaii) -\$1,500 bonuses to 2,264 employees; base wage increase to \$15.
- Hawaii National Bank (Honolulu, Hawaii) -- \$1,000 bonuses; base wage raised to \$15 per hour.
- Territorial Savings Bank (Honolulu, Hawaii) -- \$1,000 bonuses to 247 employees; base wage raised from \$11.25 to \$15.00 per hour.
- AT&T -- \$1,000 bonuses to 394 Hawaii employees.
- Walmart – Hawaii employees at 10 Walmart stores received tax reform bonuses, wage increases, and expanded maternity and parental leave. Walmart employees who adopt children will be given \$5,000 to help cover expenses.
- Home Depot -- Seven locations in Hawaii - Bonuses for all hourly employees, up to \$1,000.
- Lowe's -- 800+ employees at four store locations in Hawaii. Employees will receive bonuses of up to \$1,000 based on length of service, for 260,000 employees; expanded benefits and maternity/parental leave; \$5,000 of adoption assistance.
- Ryder (Four locations in Hawaii) – Tax reform bonuses to employees.
- Best Buy -- Locations in Aiea and Honolulu; \$1,000 bonuses for full-time employees; \$500 bonuses for part-time employees.
- Cintas (Honolulu, Hawaii) -- \$1,000 bonuses for employees of at least a year, \$500 for employees of less than a year.
- Starbucks Coffee Company (99 locations in Hawaii) – \$500 stock grants for all retail employees, \$2,000 stock grants for store managers, and varying plan and support center employee stock grants.
- T.J. Maxx – (Multiple locations in Hawaii) – Tax reform bonuses, retirement plan contributions, parental leave, enhanced vacation benefits, and increased charitable donations.
- U-Haul (Multiple locations in Hawaii) – \$1,200 bonuses for full-time employees, \$500 for part-time employees.
- FedEx (Multiple locations in Hawaii) – Accelerated and increased compensation; pension plan contributions.
- McDonald's (60+ locations in Hawaii) – Increased tuition investments which will provide educational program access for 400,000 U.S. employees. \$2,500 per year (up from \$700) for crew working 15 hours a week, \$3,000 (up from \$1,050) for managers, and more.

Respectfully,
 Brett Kulbis
 Chairman
 Honolulu County Republican Party



TESTIMONY OF TINA YAMAKI, PRESIDENT
RETAIL MERCHANTS OF HAWAII
February 22, 2021
Re: SB 676 SD1 Relating to Minimum Wage

Good morning Chair Dela Cruz and Chair Rhoads and members of the Senate Committee on Ways and Means and the Senate Committee on Judiciary. 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 676 SD1 Relating to Minimum Wage; we must respectfully **STRONGLY OPPOSE** this measure as we have some major concerns. This measure increases the minimum wage for certain employees to \$12.00 per hour beginning 7/1/2022.

Over the past year, the retail industry has been one of the hardest hit sectors during this pandemic. On a weekly basis we 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 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 due to government emergency orders a 50% to 70% DECREASE in the number of people in their stores at any given time. Many stores who rely directly on the visitors are not opening 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.

More recently retailers have begun to adjust by restructuring their business plans and budgets to accommodate the anticipated increase in the unemployment schedule and rising cost of healthcare and other mandated expenses. Some are unsure how they will survive as they are months behind on their commercial lease rent, utilities, and other operating expenses.

Cost would be passed 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 next year in 2022.
- **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 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 mandates healthcare coverage for workers**. This is also another benefit that is a cost to employers in Hawaii – as Hawaii is the ONLY states that mandates this.
- **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 pay 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.** 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.

The 3rd Commercial Lease Rent survey from data collected between December 1 and 31, 2020 revealed:

- One in 10 Hawaii businesses permanently closed over the course of the pandemic, and 67 percent were impacted significantly by government restrictions.
- From April through December 2020, 50 percent of businesses did not pay their rent in full.
- Three in 10 businesses expected to miss three full rent payments between October and December 2020, and more than half expected to miss at least one full rent payment between January and June 2021.
- Tourism accounts for at least one-quarter of the overall revenue of 37 percent of Hawaii businesses.
- 86 percent of businesses saw their annual revenue decrease in 2020, and 82 percent expect a decrease in 2021 as well.

Retailers like many businesses are struggling to survive and keep their employees employed. Many cannot afford an increase in doing business. We hope that you will hold this bill.

Mahalo again for this opportunity to testify.

SB-676-SD-1

Submitted on: 2/21/2021 1:21:04 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Lewis Whitney	Testifying for Kokolulu Farm & Cancer Retreats Inc.	Support	No

Comments:

\$12 in July of 2022 is a good first step but this measure would be greatly improved if it was amended to gradually increase the minimum wage to \$17 by 2026.

Please SUPPORT but with suggested amendments to continue incremental increases until \$17 by 2026 is achieved.

Pandemic or no pandemic, 26 other states have already approved minimum wage increase for this year. Hawaii has the highest cost of living, yet 20 states already have a higher minimum wage than we do.

Hawaii's actual history has shown that when the minimum wage has been increased incrementally and phased in over time, there was no widespread nor significant negative impacts on business, and consumer spending actually grew.

Mahalo for supporting SB 676 SD1 Aloha and Peace

Lew and Karin

Hawi, Hawaii Island



LATE

Before the Senate Committee on Labor, Culture & the Arts

DATE: February 22, 2021

TIME: 10:30 AM

PLACE: VIA VIDEOCONFERENCE

Re: SB 676, SD1 Relating to the Minimum Wage

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the committee:

We are testifying on behalf of the National Federation of Independent Business (NFIB) in opposition to SB 676, SD1 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 63% to 80% of net new jobs annually. Though 2020 is now behind us, there isn't much joy among small businesses as they strive to stay open and save jobs. Federal stimulus programs were welcomed assistance and overall effective as a "bridge" to economic recovery. And though consumers were given a substantial income boost, regulations and uncertainty kept much of it from being spent. Many small firms depend on foot traffic, which continues to be widely discouraged due to the pandemic or outright prohibited. In short, small business is struggling to survive.

Small business owners know that increasing the minimum wage to \$12 per hour will lead to increased labor costs and tough choices. They must either increase the cost of their product or service or reduce labor costs elsewhere. The reduction in labor costs would be achieved 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. In Hawaii, NFIB represents hundreds of small businesses. 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.

February 21, 2021

RE: SB676 SD1 RELATING TO MINIMUM WAGE

Dear Chair Dela Cruz and the Senate Committee on Ways and Means and Chair Rhoads and the Senate Committee on Judiciary,

Thank you for this opportunity to testify. The Kona-Kohala Chamber of Commerce **opposes** SB676 SD1 RELATING TO MINIMUM WAGE.

With nearly 500 members, our Chamber represents the business community in the Kona and Kohala districts on the west side of Hawai'i Island where the tourism industry drives the local economy. **Our businesses were especially hard hit in 2020 due to COVID-19 impacts that resulted in substantial loss of business.**

Although the Safe Travels Hawai'i program allows for travelers to bypass a 10-day quarantine with a negative COVID-19 test result, **the visitor count (our customer base) continues to be extremely low.** According to the Hawai'i Tourism Authority December 2020 Hawai'i Hotel Performance Report, the occupancy for the Kohala Coast, where our major resorts are located, was at 26.8% in 2020 compared to 79% in 2019 – a 52.2% difference. This significant decrease is felt throughout our local economy as low occupancy continues to create high unemployment in our area.

Additionally, our small businesses that contribute to the visitor experience (retail, restaurants, farming, fishing, activities and tours) are finding it very difficult to navigate through the economic downturn. Many have greatly reduced operations or gone into hibernation while others have closed.

Based on the recent University of Hawai'i Economic Research Organization's Annual Hawai'i Forecast, Hawai'i Island visitor arrivals by air in 2019 were at 1,763,900 million, but the 2020 count is 462,300 – a change of -73.8%! The forecast projects only 766,100 visitors in 2021 for Hawai'i Island. This means that our businesses will continue to struggle because these businesses will continue to have a significant reduction in customers.

This is not the time to increase the cost of doing business.

This is the time to create policies for Hawai'i's economic recovery so that businesses can survive into the future and provide jobs so our community can get back to work.

Sincerely,



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



To: Sen. Donovan M. Dela Cruz, Chair, Sen. Gilbert S.C. Keith-Agaran, Vice Chair, Members on Ways and Means
Sen. Karl Rhoads, Chair, Sen. Jarrett Keohokalole, Vice Chair, Members on Judiciary

From: Michael Miller, Tiki's Grill & Bar

Subject: SB 676 SD 1 Relating to Minimum wage

Date: FEB 21, 2021

Thank you for the opportunity to provide testimony. We, at Tiki's Grill & Bar, hereby oppose SB 676 SD 1.

Some of the Restaurants we have lost since COVID:

Ahi Assassins	Italica Café	Pomaikai Ballrooms
Alan Wong's Honolulu	Izakaya Kei	Real Gastropub
Arancino on Beachwalk	Kaka'ako Kitchen	Smith & Kings
Artizen by MW	Kapiolani Spaghetti House	Tempura Kaneko Hannosuke
Bob's Sports Bar Kailua	Kawailoa Tavern	The Brewseum
Chart House Waikiki	Kobe Japanese Steak House	The Street Food Hall Honolulu
Cheeseburger Waikiki (Prime)	Like Like Drive In	Tokyo Noodle House
Cheeseburger Waikiki Beach Walk	Limon Rotisserie Kapolei	Tony Roma's Waikiki
Chuck's Cellar	Malee Thai Restaurant	Top of Waikiki
Dillingham Saimin	Mexico Fiesta Hawaii Kai	TOWN
Formaggio Honolulu	Miyako Japanese Restaurant	Two Scoops
Harpo's Pizza and Pasta	Monterey Bay Cannery	Uncle's Fish Market at Pier 38
HASR Bistro (Terry's Place)	Nobu Honolulu	Viaggio
House of Pure Aloha Ala Moana	Otoro Hawaii Fusion	Wang Chung's
Hyung Jae Restaurant	Phoenix Chinese Restaurant	Yamagen Restaurant
Islands Fine Burgers	Plantation Tavern Kapolei	Zippy's Pearlridge

Locals and visitors alike are already complaining that things are not the same and reduced hours or operations, limited staff, less service, limited products and smaller menus, not to forget the newer restricted or eliminated capacity and mandated health and safety regulations. The prices have been raised to cover the higher costs for those products and services, as well as to comply with the new government rules. These are not discretionary costs, these are costs that restaurant operators have to pay just to stay in business. Restaurants already have low margins, especially in Hawaii, where the food and beverage costs and labor are **much higher than in almost all other states.**

Add in the higher costs to do business with just the basics, rent, utilities, labor and business taxes. All of these costs are passed on to customers as part of the cost of products and services. **Customers end up spending less or not coming in at all.**

Restaurants historically carry slim profit margins, and this is even more challenging in Hawaii, with its existing regulations and cost of living. The implementation of this bill is not free, which at its basic level, reduces the ability of restaurants to provide opportunities by reducing the number of new hires, decreasing the amount that can be spent on current employees, particularly non-tipped employees in the "back of the house."

We urge you NOT to pass this bill out of committee and say, "Mahalo" for considering our point of view

Mahalo,

Michael Miller / Director of Operations / michaelm@tikisgrill.com

LATE

SB-676-SD-1

Submitted on: 2/21/2021 4:44:14 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
HANDS, E.J.	Testifying for PARADISE PRODUCTION STUDIOS, INC.	Support	No

Comments:

In my opinion this legislation is self-explanatory, as anyone who resides on the island of Kaua'i knows that it is barely possible even to live on as little as \$12 hourly minimum wage. The crass financial chasm between wealthy and working class has grown worse since the current crisis, with hundreds of low-income people leaving the island and hundreds of middle-class remote workers moving in from the Mainland - people who are being paid from Mainland payrolls. These newcomers have driven up the cost of rents. When hotels and businesses reopen, how does Kaua'i propose that workers who will maintain the fabric of Kaua'i's tourism industry support themselves unless affordable rental housing is provided for by County and they are paid a fair minimum wage?!

Statistically there is plenty of evidence showing that raising minimum wages boosts local economy, and low-income workers immediately spend wage increases on essential (as well as some non-essential) goods, purchased locally. It is high time for Kaua'i's governance to wake up to the reality of post-Plantation era problems (which also provided the short-term solutions of immigrant families being housed on those plantations as part of their jobs - provisions which are now all-but disappeared) and put in place a new and functioning societal structure which serves all.

The long-term solution to the crisis of underpaid workers living in cramped quarters or resorting to being paid 'under the table' so they can continue to live in tiny, cramped HUD homes - or even to living on Kaua'i's campgrounds in tents - is to build affordable rental homes to house workers and pay them probably as much as \$17 minimum wage, which could be raised from \$12 hourly, incrementally.

Mahalo.



HAWAI'I LODGING & TOURISM
ASSOCIATION

LATE

Testimony of
Mufi Hannemann
President & CEO
Hawai'i Lodging & Tourism Association

Committee on Ways & Means
Committee on the Judiciary
Senate Bill 676, Senate Draft 1: Relating to the Minimum Wage

Chair Dela Cruz, Chair Rhoads, and members of the Committees, mahalo for the opportunity to submit testimony on behalf of the Hawai'i Lodging & Tourism Association, the state's largest private sector visitor industry organization.

The Hawai'i Lodging & Tourism Association—nearly 700 members strong, representing more than 50,000 hotel rooms and nearly 40,000 lodging workers—advocates on behalf of a tourism industry that has been disproportionately affected by an unprecedented pandemic and economic downturn. Historically, Hawai'i's hotel and lodging workers, from bellmen, to front desk employees, to banquet captains, to cleaning staff, have been paid among the highest wages for their positions in our nation. However, many of these positions have been furloughed for the past 10 months due to the COVID-19 pandemic and our severely dampened tourism numbers. This reflects a statewide economy that has suffered drastically and across all sectors. These include not only hotels, but also countless local businesses like restaurants, ground transportation companies, activities & attraction providers, and retail outlets.

Many of these businesses have been closed for months with their staffs furloughed. UHERO recently released statistics that estimated that more than 1,400 local businesses have already closed their doors permanently while another 2,000 small businesses have closed at least temporarily. Saddling these employers with an additional cost in the form of a minimum wage hike will only make it more difficult for businesses to re-open and our economy to begin to recover. **For this reason, HLTA cannot support Senate Bill 676, Senate Draft 1 at this time.**

Thank you for the opportunity to offer this testimony.

SB-676-SD-1

Submitted on: 2/21/2021 11:20:48 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Nikos Leverenz	Testifying for Hawaii Health & Harm Reduction Center	Support	No

Comments:

Hawaii Health & Harm Reduction Center (HHHRC) strongly supports an increased minimum wage of at least \$17.

HHHRC's mission is to promote health, reduce harm, create wellness, and fight stigma in Hawaii and the Pacific. Many of our clients and participants are disproportionately impacted by social determinants of health.

An increased minimum wage will greatly benefit those who were already facing housing instability and food insecurity prior to the COVID-19 pandemic, which has swelled the ranks of the unemployed and underemployed throughout our state.

More funds in the hands of Hawaii's working families will be passed on to those businesses employing local workers.

Thank you for the opportunity to testify on this important measure.

LATE

SB-676-SD-1

Submitted on: 2/22/2021 12:28:37 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kristen Alice	Testifying for Community Alliance Partners	Support	No

Comments:

Community Alliance Partners, a coalition of stakeholders working to end homelessness on Hawai'i Island, supports this bill, and respectfully requests an amendment to incrementally increase the minimum wage to \$17 an hour by 2026.

LATE



A NATIONAL NONPROFIT ORGANIZATION THAT DISCOVERS, DEVELOPS, AND PROMOTES FREE-MARKET SOLUTIONS TO SOCIAL AND ECONOMIC PROBLEMS.

FREEDOM RISING

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Testimony Before the Hawaii Senate Committee on Judiciary, Senate Committee on Ways and Means on Minimum Wage Increases

The Heartland Institute
February 22, 2021

Chairman Rhoads, Chairman Dela Cruz, and Members of the Committee:

Thank you for holding a hearing on Senate Bill 676, legislation that would increase Hawaii's minimum wage from \$10.10 per hour to \$12 by 2022.

My name is Samantha Fillmore, and I am a State Government Relations Manager at The Heartland Institute. The Heartland Institute is a 37-year-old independent, national, nonprofit organization and our mission is to discover, develop, and promote free-market solutions to social and economic problems. Heartland is headquartered in Illinois and focuses on providing elected officials on all levels reliable and timely research on important policy issues such as minimum wage hikes.

Minimum wage laws attempt to create a minimum standard of living to protect employees' health and well-being by mandating a base level of pay from employers to certain covered employees. Minimum wage laws are highly disruptive, artificially manipulating pay and the workforce in an attempt to combat poverty. Policymakers must consider the serious consequences a minimum wage increase can have on employment rates and economic growth.

Minimum wage hikes have a myriad of unintended consequences to all businesses, especially small businesses—the backbone of the American economy. A minimum wage increase in Hawaii would force businesses to reallocate their costs to cover the increase in employees' wages, ultimately forcing them to alter spending elsewhere to offset their newly increased labor costs. More times than not, this results in reduced hiring, a reduction in work hours, and increased prices for consumers. This is often the small margin between staying open and bankruptcy for small businesses, which typically operate on slim margins, to begin with.

Every state experienced some degree of state and federally imposed lockdowns and shelter-in-place orders due to the sudden onset of the coronavirus pandemic, which sent shockwaves throughout the small business ecosystem that are still being felt. Therefore, a minimum wage hike in 2021 could not be more ill-timed. In an analysis based on self-recorded closures in their database, Yelp estimates that 60 percent of U.S. businesses that have closed since the start of the COVID-19 pandemic have shut down permanently.

More specifically to the Aloha State, Hawaii has had the highest percentage of businesses both temporarily and permanently closed. When ranked by states, Hawaii tops the list with 9.4 permanent closures and 13.4 temporary closures per 1,000 businesses, according to Yelp's Local Economic Impact Report.

Hawaii relies heavily on revenue from travel and tourism, two activities devastated by COVID-19. Reports from the Hawaiian Department of Business, Economic Development and Tourism from 2019 show

approximately 30,000 people arrived in Hawaii daily. Unsurprisingly, this number plummeted to less than 500 at the height of the coronavirus lockdown. This led to Great Depression-like unemployment levels for Hawaiians. According to Wallethub, Hawaii experienced a mind-boggling 291 percent increase in unemployment from December 2019 to December 2020.

Furthermore, closed businesses don't pay property taxes, income taxes, sales and use taxes, and the dozens of other licensing and regulatory fees that governments rely on for revenue. Therefore, minimum wage hikes, like the one being considered in Hawaii, could result in further restricting the revenue flow to the state, exacerbating the budget shortfall caused by the coronavirus pandemic. While seemingly politically popular, the downstream effects of a minimum wage increase would certainly create challenges for Hawaii's budget over the long term.

Minimum wage hikes are never a viable economic solution. A 2007 study from economists at the University of California-Irvine and the Federal Reserve Board comprehensively examined the body of work on the subject and found 85 percent of the studies they considered credible demonstrate minimum wage hikes cause job losses for less-skilled employees. Furthermore, a 2010 study by economists at Cornell University and American University found no reduction in poverty in the 28 states that raised their minimum wage laws from 2003 to 2007.

Although attempts to bolster a minimum standard of living and protecting low-skilled workers in a pandemic-world are admirable, the evidence is clear: minimum wage hikes accomplish neither of these goals. Raising the Aloha State's minimum wage to \$12 per hour would do little to raise Hawaiians out of poverty while annihilating entry-level jobs throughout the state. As such, I would like to behoove legislators in Hawaii to consider all of the economic effects that Senate Bill 676 would inflict.

Thank you for your time today.

For more information about The Heartland Institute's work, please visit our websites at www.heartland.org or <http://news.heartland.org>, or call Samantha Fillmore at 312/377-4000. You can reach Samantha Fillmore by email at SFillmore@heartland.org.



Testimony of the Hawai‘i Appleseed Center for Law and Economic Justice
In Support with Amendments of SB 676 SD1 – Relating to the Minimum Wage
Senate Committees on Ways & Means and Judiciary
Monday, February 22, 2021, at 10:30 AM in conference room 211

Dear Chair Dela Cruz, Chair Rhoads, and members of the Committees:

Thank you for the opportunity to provide testimony in **SUPPORT, with amendments, of SB 676 SD1**, which would increase our state’s minimum wage. To achieve the impacts that Hawai‘i’s working families need, **we respectfully suggest amendments for a more robust minimum wage—one aimed at reaching \$17 by 2026**—still under a true living wage, but getting closer to that target and more in line with what’s happening in other high cost of living states.

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

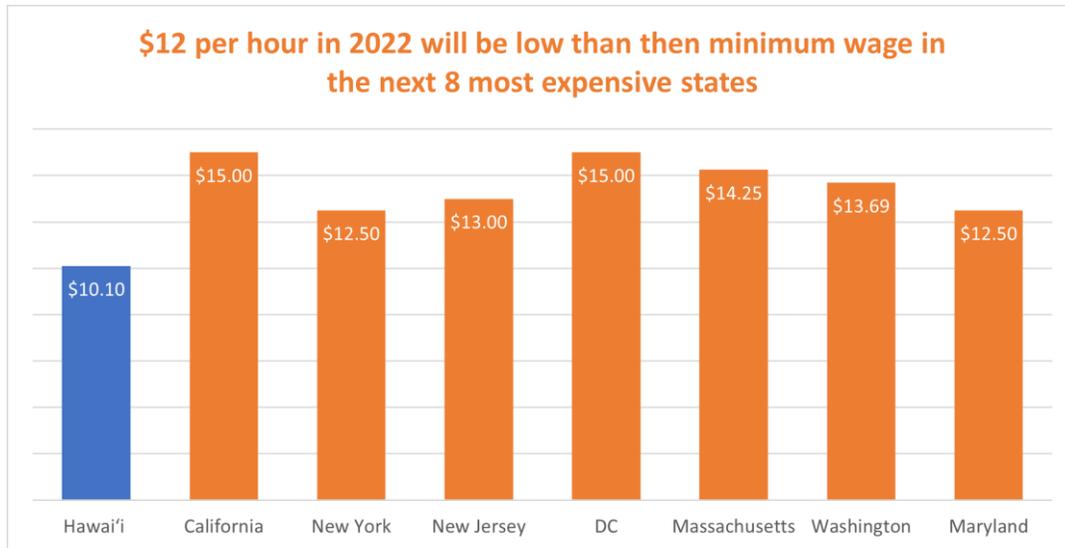
Research shows that increasing minimum wage increases spending,¹ putting money right back into local stores and restaurants. Raising the minimum wage helps keeps money in our state, by directing them at the wallets of local workers, rather than out-of-state corporate headquarters and stockholders.

\$12 an hour, as proposed in this bill, is about \$25,000 a year for full-time work. That’s not enough to live on. In the most expensive state in the nation, Hawai‘i’s minimum wage workers need to make enough to be able to afford the basics.

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 3 years. With inflation eroding their pay, \$10.10 now is worth only \$9.62 in 2018 dollars, so full-time minimum wage workers in Hawai‘i are losing the equivalent of nearly \$1,000 per year to inflation.

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

¹<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/>



With those eight other states – all with lower costs of living than in Hawai'i – already on track to raise their minimum wage well past \$15 in the coming years, **please amend this bill to raise Hawai'i's wage to \$17 an hour by 2026**. That would mean an average increase of 11 percent per year – which is less than some of the increases in Hawai'i's minimum wage in the late 1960s, late 1980s, early 1990s, and earlier this century.

How much do people need to make ends meet in Hawai'i? Our state Department of Business, Economic Development & Tourism estimates that a single person with no children in Hawai'i needed to earn **\$17.63 an hour to "meet their basic needs" in 2020**.ⁱⁱⁱ Other research groups have pegged basic economic security in Hawai'i even higher.^{iv}

The difference between \$17 an hour and \$13 an hour is more than \$8,000 per year for full-time work. That's much more than the vast majority of low-wage and working-class taxpayers in Hawai'i will receive in tax credits.

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.^v 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.^{vi}

In addition, research looking at past minimum wage increases indicates that they do not cause large price increases. Averaging the best studies available, it is estimated that **raising the wage to \$17 by 2025 would increase prices by a total of less than 5 percent**. That translates to about 7 cents more for a spam musubi in 2025.^{vii} And the last time we raised the wage in this state inflation remained exceptionally low.

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 <https://www.bea.gov/news/2020/real-personal-income-state-and-metropolitan-area-2019>

ⁱⁱ <https://www.epi.org/minimum-wage-tracker/>

ⁱⁱⁱ https://files.hawaii.gov/dbedt/economic/reports/self-sufficiency/self-sufficiency_2018.pdf

^{iv} <https://www.raiseuphawaii.org/media/living-wage-standards-hawaii-2020>

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

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

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

SB-676-SD-1

Submitted on: 2/22/2021 7:49:04 AM

Testimony for WAM on 2/22/2021 10:30:00 AM



Submitted By	Organization	Testifier Position	Present at Hearing
Thomas Jones	Individual	Oppose	No

Comments:

Gyotaku Restaurants Oppose increasing the Minimum Wage without a significant increase in the tip credit. Tipping is not unique to the restaurant industry. A solution that addresses all tipped employees in all business segments would be a very progressive step to gaining support for increases in the minimum wage when the economic affects of the pandemic have fully subsided.

Tom Jones

Gyotaku Restaurants.

LATE

SB-676-SD-1

Submitted on: 2/22/2021 8:02:04 AM
Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Deanne Ho	Testifying for Jade Food Products, Inc	Oppose	No

Comments:

After going thru a rough 2020 due the COVID, the economy is still bad and my business and many of my customer's business cannot afford it. I know people still out of work. Young adults in college and just graduated cannot get jobs. The minimum wage not only affects the hourly pay but all the associated taxes and insurance we must pay on top of the hourly increase. It causes the pay scale to expand all the way up the line or compresses the difference between employees so that higher paid employees don't have an feeling of differential in pay due to higher responsibility or technical skill.

You may say that we can just pass the cost on to the consumer. You can see this when the last minimum wage went thru and the price of a Kalbi plate lunch went up from \$10 to \$19 a plate. But for manufacturers, the costs cannot always be passed on. Big box chain stores push back and compare our Made in Hawaii products to other products imported from overseas or even mainland USA and REFUSE to let us raise prices. Big box chains also refused to let us raise our prices until the Pandemic is done. We have been unable to pass on the higher cost of doing business (shortages of raw material, rising cost of PPE etc) since last April 2020. Therefore we are working on smaller and smaller margins. Eventually we will close if this continues.

How many jobs will further be trimmed from the payroll if the minumim wage goes up? How many more employers will close and the jobs will be lost? Already many jobs lost due to COVID and many many business closed.

SB-676-SD-1

Submitted on: 2/19/2021 4:40:26 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Gerard Silva	Individual	Oppose	No

Comments:

This will only Kill the samll Business and we will not be able to aford there products.

SB-676-SD-1

Submitted on: 2/19/2021 5:19:45 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Shay Chan Hodges	Individual	Support	No

Comments:

Hawai'i's families can no longer afford to wait for a raise. We must pass a bill in 2021 and begin gradually raising the minimum wage come January 2022. We would like to see the bill amended to create a 10% raise each year until the minimum wage has caught up to inflation. After that, the wage should increase along with inflation each year.

SB-676-SD-1

Submitted on: 2/19/2021 5:37:41 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Dawn Morais Webster Ph.D.	Individual	Support	No

Comments:

Dear Chair, Vice Chair and Committee members:

I support this bill to raise the minimum wage but also ask that you amend it to put workers on a path to being treated fairly and with aloha.

For more than 3 decades we have asked the workers we call "essential," the ones who have kept us going through these many months of the pandemic at great risk to their own health, to wait and wait and wait. We have asked them to work for less than what they need to survive. Critics point to the call for \$17 an hour as unreasonable. This is a number that the state itself--DBEDT-- came up with as reflecting what a person must be paid to survive in this very expensive state.

The minimum wage has been steadily and surely falling behind the cost of living. If it had kept up with productivity and inflation, it would be more than \$15 by now. The proposed increase, if passed, would not happen overnight. Instead, it would be phased in over several years to allow businesses to adjust. Other high-cost states, such as California and New York, as well as Washington D.C., have already passed laws to increase their minimum wage to \$15 in steps. Our cost of living is higher than these jurisdictions.

Please amend the bill to include a 10% increase each year until it catches up with inflation, and include a mechanism to allow for automatic adjustments to reflect the rate of inflation thereafter. **This is a matter of simple decency and fairness.** No one at the Chamber which has strenuously opposed raising the minimum wage would want to live on what we are asking working families to live on. No one hearing these bills could survive on the current minimum wage we deem acceptable for working families. Let's be fair to our neighbors. Let's apply the golden rule. Let's treat the working families of Hawaii as we would want to be treated ourselves: with fairness and justice. In so doing we will honor the culture of aloha we like to talk about and help stem the tide of suffering, hunger and rising houselessness in Hawaii. Thank you for hearing this bill and moving it towards passage.

SB-676-SD-1

Submitted on: 2/19/2021 5:40:25 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Greg Howeth	Individual	Oppose	No

Comments:

Businesses care about their employees and if they can pay more, they already are. Those who are not paying more than the minimum wage simply cannot afford to, especially during this time. If the minimum wage is raised it will likely hurt the very people it is intended to help as businesses will have to choose between paying wages they can't afford or having fewer employees.

SB-676-SD-1

Submitted on: 2/19/2021 6:55:32 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Carrie Ann Shirota	Individual	Support	No

Comments:

Dear Senators,

I am writing in support of SB676 SD1 and request an amendment to increase the minimum wage from \$12 an hour to \$17 per hour.

As a single parent, I fully understand the challenges of earning enough money to reside in Hawai'i. Due to my higher education and training, I have the good fortune of being able to earn a living wage and raise my son in the land of his ancestors.

Unfortunately, too many families in Hawai'i, and disparately Native Hawaiian families, are living in poverty and experiencing homelessness and hunger in part, due to low paying wages and limited safety nets in our communities.

Raising the minimum wage to a living wage is necessary to stimulate our economy and allow people to work one, rather than multiple jobs, just to make ends meet.

For Legislators who are pushing for \$12 as the mimum wage, I humbly ask that you engage in a pilot project for a year - by living only off of a \$12 minimum wage, and determining if you are able to meet your family's basic human needs!

Something tells me that such an experiment would show the absurdity of enacting a minimum wage that falls far below a living wage.

Please pass SB 676 SD1 and amending the bill to increase the minimum wage to \$17.00.

Sincerely,

Carrie Ann Shirota

Honolulu, Hawaii

SB-676-SD-1

Submitted on: 2/19/2021 7:09:50 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Shannon Rudolph	Individual	Support	No

Comments:

Support w/amendmts.

\$17 by 2026. YOU try living on minimum wage. It can't be done, especially in Hawai'i. Many Hawai'i residents are desperately trying to survive - it's time for legislators to step up and really protect their constituents. They're counting on you to not let them sink.

SB-676-SD-1

Submitted on: 2/19/2021 7:23:16 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Hunter Heavilin	Individual	Support	No

Comments:

Hawaii workers deserve respect. This means paying them more than only \$10.10 per hour. They deserve enough to afford at least their basic needs.

Years of data here in Hawaii show that gradual increases in the minimum wage help raise worker wages at all income levels and helps small businesses grow.

If we want our economy to improve and work for all of us, it's absolutely necessary that we raise the minimum wage.

SB-676-SD-1

Submitted on: 2/19/2021 8:00:59 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Max Castanera	Individual	Support	No

Comments:

Aloha,

I strongly support the passing of SB 676. A \$12.00 per hour minimum wage equates to \$29,000 a year before taxes for a full-time employee working 40 hours a week. With the state's cost of living, even this wage increase will be inadequate to allow residents to afford rent, food, healthcare, etc. while working a single job. My suggestion would be to ammend the bill to increase the minimum wage to \$17/hour, increasing the minimum wage gradually over a three year period. However, any increase in minimum wage is welcomed from the currently unlivable \$10.10. Please support our residents and prevent homelessness by increasing minimum wage and supporting this bill (or amending it to include more liberal hikes in minimum wage). Mahalo for your time.

SB-676-SD-1

Submitted on: 2/19/2021 8:53:13 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Elizabeth Hansen	Individual	Support	No

Comments:

Aloha Legislators: It is imperative to support this bill and to add amendments to give \$17 by 2026. People can just not live here on the current minimum wage!

Mahalo.

Elizabeth Hansen,
Hakalau HI 96710

SB-676-SD-1

Submitted on: 2/19/2021 8:55:36 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Rodger Hansen	Individual	Support	No

Comments:

Aloha Senators:

Please support this bill with amendments to bring the minimum wage to \$17 by 2026. We all know people can NOT live on the current minimum wage.

Your consideration is most appreciated.

Rodger Hansen
Hakalau HI 96710

SB-676-SD-1

Submitted on: 2/19/2021 11:10:49 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
laura Ramirez	Individual	Support	No

Comments:

While \$12 in July of 2022 is a good first step, please support SB676 with amendments to increase Hawaii's minimum wage to \$17 by 2026.

26 other states are increasing their minimum wage this year and 20 of them have a higher minimum wage than Hawaii.

Hawaii research and actual history shows that so long as the increase is incremental and phased in over time, the impacts on local business are negligible and consumer spending actually grows.

SB-676-SD-1

Submitted on: 2/20/2021 6:27:45 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Mary Whispering Wind	Individual	Support	No

Comments:

Please, support SB676 SD1. Hawaii's workers need a living wage.

SB-676-SD-1

Submitted on: 2/20/2021 6:28:35 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Brian Murphy	Individual	Support	No

Comments:

Please, support SB676 SD1. Hawaii's workers need a living wage.

SB-676-SD-1

Submitted on: 2/20/2021 7:06:31 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Rexann Dubiel Shanahan	Individual	Support	No

Comments:

It's only right.

I support the passage of SB676.

SB-676-SD-1

Submitted on: 2/20/2021 7:40:08 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Michele Nihipali	Individual	Support	No

Comments:

Dear Senators,

While the curent SB 676 SD1 is a good start for raising the minimum wage, it does not go far enough. \$12 an hour in 2022 is way too low for any minimum wage in Hawaii. This amount will never provide any real financial support for non union workers. It must be at least \$17 an hour to really have an impact on the lliving standard for many trying to live in Hawaii while trying to work 2-3 jobs to maintain financially viability. The Federal Government is working toward \$15 per hour. Why would Hawaii aim for a lower amount in 2022?

Please pass SB 676 SD1 out of committee with the modification for \$17 an hour in 2022.

Mahalo for your consideraton in this matter,

Michele Nihipali

54-074 A Kam Hwy.

Hauula, HI 96717

SB-676-SD-1

Submitted on: 2/20/2021 7:40:24 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kenji Hurlburt	Individual	Support	No

Comments:

As a former resident of Hawaii, I have had to move back to the mainland due to the island's harsh gap between the general cost of living and the state's minimum wage. And while locals call this the "Paradise Tax", there is nothing "paradise" about living off of \$10.10/hr while having the highest cost of living in the country, beating out both California and New York. Hawaii needs to protect and support its communities first and foremost by increasing the minimum wage to an amount not only relevant with the mainland, but also in accordance with modern times.

SB-676-SD-1

Submitted on: 2/20/2021 8:36:49 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Wendy Arbeit	Individual	Support	No

Comments:

I support this bill. Either we raise the minimum wage so people don't have to live on poverty or pay the same through welfare so they don't.

SB-676-SD-1

Submitted on: 2/20/2021 10:03:48 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kathryn Braun	Individual	Support	No

Comments:

I urge you to support this bill to raise the minimum wage in Hawai'i. I also urge you to amend the bill to increase to \$17/hour by 2026.

This raise is the minimal needed for a "living wage" by an individual trying to live in Hawai'i, which is very expensive. This raise is ESPECIALLY important because access to affordable housing is so limited here, and food and gas are expensive too.

As a professor of public health and social work, my research shows that health is directly associated with wealth, and people living without earning at least a "living wage" are much, much more likely to be food insecure and homeless. They also are much more likely to develop chronic diseases, like diabetes, that are very costly to the state (as well as to the individual). Healthy people are more productive and better consumers.

In the long run, guaranteeing a "living wage" as the minimum wage will improve the health of our people and our economy.

SB-676-SD-1

Submitted on: 2/20/2021 10:10:46 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Samantha Berberich	Individual	Support	No

Comments:

It's too hard for anyone to survive with less then \$12/hour. Even that is impossible without government assistance. Let's take a step in the right direction.

SB-676-SD-1

Submitted on: 2/20/2021 10:15:49 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Rob Weltman	Individual	Support	No

Comments:

\$12/hour is a good first step but the bill should be amended to provide for a gradual increase to \$17/hour so people can afford housing and not have to leave Hawaii to get better pay.

SB-676-SD-1

Submitted on: 2/20/2021 10:17:46 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Patricia Blair	Individual	Support	No

Comments:

Regular increases should be scheduled.

SB-676-SD-1

Submitted on: 2/20/2021 10:18:54 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Stan Greenbaum	Individual	Support	No

Comments:

I am writing to strongly advocate on behalf of this bill to increase the minimum wage to \$12 per hour. However, this increase is not enough. The legislative goal should be to increase the minimum wage to \$17 per hour by 2026. All evidence indicates that few jobs will be lost and that the increased purchasing power of minimum wage workers will grow the economy as well as providing food security and healthier living conditions for minimum wage workers and their families.

SB-676-SD-1

Submitted on: 2/20/2021 10:22:04 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
John & Rita Shockley	Individual	Support	No

Comments:

Aloha!

Hawaii's lowest paid workers deserve a reasonable minimum wage. We cannot continue to have a minimum wage that is equivalent to economic slavery. The tired old defenses about companies being forced to lay off workers and the minimum will cause inflation are dodges that need to be put down.

Hawaii's poorest workers need a decent minimum wage in this state with super high cost of living.

Mahalo for your time.

SB-676-SD-1

Submitted on: 2/20/2021 10:22:27 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
ANDREW ISODA	Individual	Support	No

Comments:

Please SUPPORT but with suggested amendments to continue incremental increases until \$17 by 2026 is achieved.

Pandemic or no pandemic, 26 other states have already approved minimum wage increase for this year. Hawaii has the highest cost of living, yet 20 states already have a higher minimum wage than we do.

Hawaii's actual history has shown that when the minimum wage has been increased incrementally and phased in over time, there was no widespread nor significant negative impacts on business, and consumer spending actually grew.

Mahalo,

Andrew Isoda, Napili Maui

SB-676-SD-1

Submitted on: 2/20/2021 10:22:55 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Daniel R Freund	Individual	Support	No

Comments:

The house, senate, and governor's office are all controlled by Democrats. How is it possible that the minimum wage is not already \$15/hour? Or, given Hawaii's cost of living, \$17? Sure, go ahead, continue to ignore one of the Party's priority legislative action planks (calling for a "minimum wage of \$15 per hour by 2020 with cost of living increases thereafter"). **Just don't be surprised when you're primaried from the left.**

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

SB-676-SD-1

Submitted on: 2/20/2021 10:42:14 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Dan Gardner	Individual	Support	No

Comments:

This is a small but very important step to correct our seriously low minimum wage here in Hawaii. It's a disgrace that despite Hawaii having the highest cost of living in the U.S. 20 States have a higher minimum wage than we do. A reasonable ramp up to \$17 dollars an hour should also be included with cost of living increases mandatory.

SB-676-SD-1

Submitted on: 2/20/2021 10:47:26 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Thomas Iwanicki	Individual	Support	No

Comments:

Aloha,

My name is Tom Iwanicki, I am submitting testimony in support of raising the minimum wage in Hawai'i, however, I urge the committee to amend the bill to include a raise to at least \$17 per hour by 2026. This is a far cry of what is needed and deserved, but it is a step in the right direction. If wages kept pace with productivity and inflation the minimum wage would be well over \$20 today. That disparity amounts to wage theft by a system unsupportive of working people. Please do not be complicit. Raise the wage and give working people in Hawai'i a fighting chance at a dignified life.

Mahalo nui,

Tom

SB-676-SD-1

Submitted on: 2/20/2021 10:49:26 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Nathan Leo Braulick	Individual	Support	No

Comments:

February 20, 2021

Dear Members of the Committee(s):

I'm writing in support of SB676, which would raise Hawaii's minimum wage to \$12 beginning July, 1, 2022.

26 other states have already approved minimum wage increase for this year. Hawaii has the highest cost of living, yet 20 states already have a higher minimum wage than we do.

Hawaii's actual history has shown that when the minimum wage has been increased incrementally and phased in over time, there was no widespread nor significant negative impacts on business, and consumer spending actually grew.

Please SUPPORT SB676 but with suggested amendments to continue incremental increases until \$17 by 2026 is achieved.

Let's make the Aloha State a place where hard working people are paid fairly and given the support and respect that they deserve. A \$12 minimum wage is a good start.

Sincerely,

Nathan Leo Braulick

2333 Kapiolani Blvd., #1604

Honolulu, HI 96826

SB-676-SD-1

Submitted on: 2/20/2021 11:01:12 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
James E Raymond	Individual	Support	No

Comments:

Please put Hawaii workers ahead of commercial lobbyists.

SB-676-SD-1

Submitted on: 2/20/2021 11:06:36 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ted Bohlen	Individual	Support	No

Comments:

Strong support!

SB-676-SD-1

Submitted on: 2/20/2021 11:16:28 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Padmani Brown	Individual	Support	No

Comments:

I am testifying in support of SB676 SD1, but request that the chairs Senators Dela Cruz and Rhoads, amend the bill to, instead, raise the minimum wage to \$17 by 2026, broken down in manageable, incremental steps.

- Our economy is powered through consumer spending. Businesses in Hawai'i need customers in order to survive. When families don't have enough to cover their basic needs, they stop spending their earnings at Hawai'i businesses. Customers are workers, and workers are customers.
- The roughly 11 percent increase per year of \$17 by 2026 will be easier for businesses to transition to than one 19 percent increase (\$12 by 2022) while doing a better job of giving working families the purchasing power they need to participate in the economy.
- Data shows us that raising the minimum wage has helped small businesses in Hawai'i. The number of small businesses and small business employees increased during the last minimum wage hike between 2014 and 2018 (which raised the wage from \$7.25 to \$10.10, or about 10 percent per year). I was a small business owner during this time and the business did not suffer by raising the minimum wage.
- As low-wage labor is only a small portion of a business's costs, an increase in their prices of just 2 percent can completely compensate for a \$1 per year raise in the hourly minimum wage. As a consumer I am willing to pay slightly more to allow workers a living minimum wage.

Respectfully,

Padmani Brown

SB-676-SD-1

Submitted on: 2/20/2021 11:23:41 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Valerie Weiss	Individual	Support	No

Comments:

Please support this bill, but with amendments to increase the amount incrementally to \$17 per hour by 2026. Sooner would be even better for our hard working wage earners not making enough to exist in our state.

SB-676-SD-1

Submitted on: 2/20/2021 11:30:43 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Tom Aitken	Individual	Support	No

Comments:

Those working in minimum-wage jobs are our frontline workers, and the businesses their employers depend on taxpayers to provide them with the benefits they require, notably healthcare. I urge you to support the minimum wage bill, and to amend it to increase the minimum wage \$217 over the years to 2026.

Thank you!

SB-676-SD-1

Submitted on: 2/20/2021 11:39:27 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Anne Thurston	Individual	Support	No

Comments:

Please support SB676 with amendments to increase Hawaii's minimum wage to \$17 by 2026. I recognise that \$12 in July 2022 is a good first step, but we need to go further. In Hawaii, research and history show that incremental increase in the minimum wage is negligible, and it results in increased consumer spending. Half of the other states in America are raising their minimum wage this year, and the majority of them have a higher minimum wage than Hawaii. Let us treat our workers fairly.

SB-676-SD-1

Submitted on: 2/20/2021 11:40:40 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Deborah G. Nehmad	Individual	Support	No

Comments:

I strongly support passage of this bill. It makes sense in so many ways:

- As low-wage labor is only a small portion of a business's costs, an increase in their prices of just 2 percent can completely compensate for a \$1 per year raise in the hourly minimum wage. People are happy to pay slightly more for goods if it means that employees are paid a fair wage.
- Our economy is powered through consumer spending. Businesses in Hawai'i need customers in order to survive. The pandemic-recession has made it extremely difficult for Hawai'i's low-wage families (and many middle-wage ones too) to make ends meet in an already high-cost state through reduced employment and wages, as well as through unexpected healthcare and family care costs. When those families don't have enough to cover their basic needs, they stop spending their earnings at Hawai'i businesses. Customers are workers, and workers are customers.

The roughly 11 percent increase per year that we are asking for in \$17 by 2026 will be easier for businesses to transition to than one 19 percent increase (\$12 by 2022) while doing a better job of giving working families the purchasing power they need to participate in the economy.

Please support this legislation.

Deborah Nehmad

SB-676-SD-1

Submitted on: 2/20/2021 11:46:29 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Elizabeth Nelson	Individual	Support	No

Comments:

Aloha, My name is Liz Nelson and I am in support of SB676. But I would support amendments that increase the minimum wage to \$17/hr by 2026, in increments.

Hawaii is in an economic crisis due to the pandemic. And many businesses are against increasing the minimum wage at this time. But I have also heard of business owners who are in full agreement with raising the wage, saying it has helped their business and their employees.

I know so many people that work 2 and 3 jobs here in Hawaii just to survive. That is not a way to live. We have a very high cost of living here and even the DBEDT says \$17/hr would be a reasonable wage.

The legislature is facing many difficult decisions this year, but giving a better wage to the residents of these islands seems like a good decision.

Thank you, Elizabeth Nelson

Kaneohe

SB-676-SD-1

Submitted on: 2/20/2021 11:48:43 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Carla Allison	Individual	Support	No

Comments:

My name is Carla Allison and I strongly support SB676 with an amendment that the minimum wage be increased to \$17 by 2026. Hawaii is behind in taking action to ensure our islands' working people can continue to afford living and working in Hawaii. Reputable minimum wage increase studies confirm that staggered wage hikes, like those proposed in a \$17 by 2026 amended bill, are good for the economy, good for businesses and good for working people. Please support SB676 with an amendment of \$17 by 2026. Thank you. **Testimony submitted 2/20/2021**

SB-676-SD-1

Submitted on: 2/20/2021 11:53:32 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Aria Juliet Castillo	Individual	Support	No

Comments:

I strongly support this bill, but please amend to \$17 by 2026

SB-676-SD-1

Submitted on: 2/20/2021 11:59:26 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Gregory Mueller	Individual	Support	No

Comments:

I support SB676, though the bill should be amended to a minimum wage to be raised gradually to \$17 dollars an hour by 2026. Since this applies to all business it does not harm them, since all business would have to modify their overhead equally. A business's landlord could put them out of business by raising a business rent while their competition does not for example, because this does not apply to all business equally. Restaurants have indirectly been raising prices by expecting customers to give a 22% tip now, I am old enough to remember a 10% tip. If a liveable wage was given we could eliminate tips completely like in Australia.

Hawaii has the highest cost of living of any state. Twenty six other states have raised their minimum wage during the pandemic. The pandemic is not valid reason to denie workers a livable wage. Let's have a goal of no more children sleeping on the streets of Hawaii. A livable wage is one necessary step towards that goal.

Sincerely,

Gregory J Mueller, OD

SB-676-SD-1

Submitted on: 2/20/2021 12:02:37 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Meredith Buck	Individual	Support	No

Comments:

I strongly support SB676 and believe that it is a good first step towards providing a survivable minimum wage across the state. I'm looking forward to a \$17/hr minimum wage in the future, but since it's a big jump from \$10.10, I'm happy to see this increase to \$12 for now. No one should have to work more than 40 hours just to survive. Mahalo nui.

SB-676-SD-1

Submitted on: 2/20/2021 12:10:33 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Nina Smith	Individual	Support	No

Comments:

Aloha,

I am writing in support of SB676 to increase Hawaii's minimum wage to \$12 in July of 2022. This is a good first step but this measure would be greatly improved if it was amended to gradually increase the minimum wage to \$17 by 2026. The people of Hawaii decrease this change. Other States with higher costs of living already passed legislation to increase minimum wage. Minimum wages increases in the past did not result in long-term negative impacts, but rather contributed to a more robust consumer economy. If I know one thing about Hawaii, it is that Hawaii residents are active consumers.

Mahalo,

Nina Smith

SB-676-SD-1

Submitted on: 2/20/2021 12:11:32 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Eileen McKee	Individual	Support	No

Comments:

I strongly support SB676. While I wish it was \$15.00 per hour, \$12.00 per hour will help our families make ends meet while we continue the fight for \$15.00 per hour.

Mahalo for considering my testimony.

Eileen McKee

SB-676-SD-1

Submitted on: 2/20/2021 12:13:13 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Cynthia Maryanoff	Individual	Support	No

Comments:

Aloha Representatives

\$12 an hour is a nice start but this is Hawaii: everything is expensive except the fruit people donate when they harvest too much. Good idea to keep increasing minimum wage over time.

Healthcare costs, food costs, housing costs are all more expensive on an island. Especially the Hawaiian islands. Help folks who want to earn a living here!

Please vote favorably and help the people who need it.

Mahalo

Cynthia Maryanoff

SB-676-SD-1

Submitted on: 2/20/2021 12:14:42 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Marcia Kimura	Individual	Support	No

Comments:

Please uphold a minimum wage increase to \$12 per hour, but with the amendment that this rate will increase to \$17 per hour at least by 2026, or sooner. Also, it would be beneficial to labor if a task force were established to examine and improve existing working conditions and requirements of laborers in all industries.

SB-676-SD-1

Submitted on: 2/20/2021 12:27:41 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Diane Ware	Individual	Support	No

Comments:

Dear chair and committee members,

I strongly urge you to pass this Bill that will help but not relieve the impoverishment of vital service employees struggling to feed their families and bordering on homelessness while the corporations and businesses employing them prosper. Would you support this for your children who might not have the means to afford college educations. Our system now is not humanitarian or wise. We will all suffer as well as the economic overall.

Sincerely,

Diane Ware 99-7815;Kapoha Place Volcano HI 96785

SB-676-SD-1

Submitted on: 2/20/2021 12:54:12 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jane E Arnold	Individual	Support	No

Comments:

Please support SB676, preferably with an amendment to gradually increase the minimum wage to \$17. Thank you.

SB-676-SD-1

Submitted on: 2/20/2021 1:07:11 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Harriet Burkholder	Individual	Support	No

Comments:

Please support SB676. A minimum wage of \$12 in July of 2022 is a good first step, but this measure would be greatly improved if it was amended to gradually increase the minimum wage to \$17 by 2026.

SB-676-SD-1

Submitted on: 2/20/2021 1:11:16 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
tia pearson	Individual	Support	No

Comments:

- Our economy is powered through consumer spending. Businesses in Hawai'i need customers in order to survive. The pandemic-recession has made it extremely difficult for Hawai'i's low-wage families (and many middle-wage ones too) to make ends meet in an already high-cost state through reduced employment and wages, as well as through unexpected healthcare and family care costs. When those families don't have enough to cover their basic needs, they stop spending their earnings at Hawai'i businesses. Customers are workers, and workers are customers.
- The roughly 11 percent increase per year that we are asking for in \$17 by 2026 will be easier for businesses to transition to than one 19 percent increase (\$12 by 2022) while doing a better job of giving working families the purchasing power they need to participate in the economy.
- Data shows us that raising the minimum wage has helped small businesses in Hawai'i. The number of small businesses and small business employees increased during the last minimum wage hike between 2014 and 2018 (which raised the wage from \$7.25 to \$10.10, or about 10 percent per year). Businesses have more demand for their goods and services as wages rise across the state, helping them pay their employees more as well.

Look at other cities who have already brought their minimum wage to at least \$15/hour. Their economy is benefitting tremendously.

SB-676-SD-1

Submitted on: 2/20/2021 1:36:43 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Eliel Starbright	Individual	Support	No

Comments:

Please amend to continue incremental increases until \$17 by 2026 is achieved.

SB-676-SD-1

Submitted on: 2/20/2021 1:49:26 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Christy MacPherson	Individual	Support	No

Comments:

I support SB676 SD1 but with an amendment to increase the minimum wage to \$17 by 2026. I've supported raising the minimum wage for years (because that's how long it's taken for us to finally do something). We cannot afford to have Hawai'i's workers struggle any longer and if we DON'T increase their wages now, our own `ohana and dear friends will be forced to move away from the only place they've ever wanted to live.

SB-676-SD-1

Submitted on: 2/20/2021 1:53:45 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Erik Horsley	Individual	Support	No

Comments:

I believe there should an ammendment to increase the minimum wage to \$17/hour by 2026.

SB-676-SD-1

Submitted on: 2/20/2021 2:40:23 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Dawn Wooten	Individual	Support	No

Comments:

The public and our Senate need to recognize that people who work in low and semi skilled jobs are the backbone of our community and deserve to make a living. The largest employment occupations are semi and unskilled. Reported by DOL every year.

The old school thought that this semi and unskilled jobs are a stepping stone is not true and that has been proven over and over in the US and Hawaii. These employees like to work at Zippy's, they do not want to go to college, they do not want to be president. Do you see them smile? They like it! They just want to earn a basic living and they deserve the right to do so. They are the largest percentage of our workforce, why would you not serve them? Hawaii minimum wage was increased before and has not negatively impacted businesses before. If it does, then we do not want that employer in our community anyway. Another perfect example of slum lords. I'd also like to address the need to consider that this concept is not a cookie cutter solution. For instance, restaurant service workers are tipped. Since that is a US type expectation, changing this would not work. Allowing restaurants to do estimated fair wage to deduct a percentage of tip expectation might be an option for this occupation. But these solutionis can be worked out, not a realistic reason to bypass this bill.

Thank you for considering. Dawn V. Wooten, Kauai, HI

SB-676-SD-1

Submitted on: 2/20/2021 2:44:18 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Alisen Celestyne	Individual	Support	No

Comments:

I support this bill to raise Hawaii's minimum wage to \$12 asap, with suggested amendments to continue incremental increases to minimum wage \$17 by the year 2026.

The actual living wage for Hawai'i residents is already \$17 now, so even without any inflation this is a slow moving process for many struggling families, but better moving forward than nothing.

I thank all our representatives for working on this bill, as well as all business owners to begin seeing wages as something to support the people, not just another cost of business.

Mahalo nui loa

SB-676-SD-1

Submitted on: 2/20/2021 2:57:22 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
nicole m street	Individual	Support	No

Comments:

Dear Commitee Members,

I'm writing in support of SB 676 that increases minimum wage. Our citizens are in need of a living wage, especially the young people who must work multiple jobs to survive, often forgoing education or training, keeping the workforce less skilled overall. Many leave to pursue a better life elsewhere. Please pass this Senate Bill and know that many of your constituents would like to see further increases in the near future.

Thank you,

Nicole Street

SB-676-SD-1

Submitted on: 2/20/2021 3:22:27 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
pamela burrell	Individual	Support	No

Comments:

Aloha Hawaii Senators,

Unless you are a young kid living at home, earning less than \$17 per hour only leads to homelessness and lack of self esteem.

I strongly support increasing the hourly wages for the people of Hawaii. We have one of the very highest cost of living indexes and yet wonder why folks can't make it here and have to leave their home state

Increased wages is a winwin for consumer spending, employers desiring to build a team building a reliable workforce. As an employer of part time workers I respect the need for earning a living wage. It is the only way we can retain a valued workforce.

Mahalo for making this happen.

Pamela Burrell

Good Design Works, Kaua'i

SB-676-SD-1

Submitted on: 2/20/2021 3:25:42 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Marc Delorme	Individual	Support	No

Comments:

Please pass SB676 with an amendment for incremental increases to \$18 over the next several years. Let's create an economy that eliminates poverty in our community.

SB-676-SD-1

Submitted on: 2/20/2021 3:43:44 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Sandra Herndon	Individual	Support	No

Comments:

Aloha Chairs and Members of the Ways & Means and Judiciary Committees,

I fully support SB676, and I believe that the proposed wage of \$12 per hour by July 2022 is a step in the right direction. However, it STILL doesn't meet the needs of most of our population. As it stands now, the majority of the service industry workers who facilitate the Tourism Economy by their daily efforts, don't reap the economic benefits proportionately to their work. Even those laboring in other types of related industries, aren't earning a livable wage.

A better proposal would be to start with the \$12/hr in 2022, and through gradual, incremental increases, aim for a \$17/hr in 2026.

This would also allow an element of hope that as our economy evolves and expands, as it will, the people of Hawaii, who are the backbone of ALL of our industries, are encouraged to stay in Hawaii. When the COVID crisis is over, and wages/salaries are increasing elsewhere in the United States, we want to keep our Kama`aina here, working for our future.

Mahalo,

Sandra Herndon

Kaua`i

SB-676-SD-1

Submitted on: 2/20/2021 3:56:39 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Sunny Savage	Individual	Support	No

Comments:

Aloha,

I am in support of this bill, especially since Hawai'i has the highest cost of living out of all 50 states! With 26 other states already approving minimum wage increases this year, the \$12 minimum wage increase by 2022 is a great first step but I would suggest an incremental increase up to \$17 per hour minimum wage by 2026.

Thank you, Sunny Savage

SB-676-SD-1

Submitted on: 2/20/2021 4:08:49 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Sue Cowing	Individual	Support	No

Comments:

Raising the minimum wage is the single most important thing the Legislature could do to boost the economy and relieve the public assistance burden for the state. \$12 an hour next year is a good start, but future incremental raises arriving at \$17 an hour by 2026 should be added. The concern always is that forcing such increases on small businesses will place a burden on them and cause them to cut payroll or fold. How about a carrot? Why not offer tax credits to local businesses who raise entry level wages, including those who do so ahead of schedule? This measure would soon pay for itself in increased tax revenue from individuals and businesses, since minimum wage employees are more likely to spend what they earn rather than save or invest. Also, the state would save money on public assistance as more people get closer to a living wage.

SB-676-SD-1

Submitted on: 2/20/2021 4:47:11 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Elaine Wender	Individual	Support	No

Comments:

While I support this bill, it is clearly inadequate. In Hawai'i, \$12 an hour cannot provide for even basic necessities. I urge you to amend this bill to increase the minimum to at least \$17.

SB-676-SD-1

Submitted on: 2/20/2021 4:50:04 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Michael deYcaza	Individual	Support	No

Comments:

Its a step in the right direction but please raise to a living wage ASAP.

SB-676-SD-1

Submitted on: 2/20/2021 5:10:49 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Dyson Chee	Individual	Support	No

Comments:

Aloha Chair Rhoads and Chair Dela Cruz, Vice-chair Keohokalole and Vice-chair Keith-Agaran, and members of the Judiciary and WAM Committees,

My name is Dyson Chee, I am a resident of Ala Moana, and I am submitting testimony in support of SB676, with comments.

\$12 in July of 2022 is most certainly a good first step; in addition, I would like to suggest amendments to continue incremental increases until \$17 by 2026 is achieved.

Pandemic or no pandemic, 26 other states have already approved minimum wage increase for this year. Hawaii has the highest cost of living, yet 20 states already have a higher minimum wage than we do.

Hawaii's actual history has shown that when the minimum wage has been increased incrementally and phased in over time, there was no widespread nor significant negative impacts on business, and consumer spending actually grew.

Mahalo for considering this important piece of legislation, and I sincerely hope that SB676 will pass with your approval.

Dyson Chee

SB-676-SD-1

Submitted on: 2/20/2021 5:58:33 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Zack Stoddard	Individual	Support	No

Comments:

Please raise the minimum wage to a LIVING WAGE of \$17/hr. Anybody working a full time job should be getting paid enough money to survive. It's as simple as that.

The argument that increasing the minimum wage will hurt businesses is not supported by evidence. The number of small businesses and small business employees increased during the last minimum wage hike in Hawaii between 2014 and 2018 (which raised the wage from \$7.25 to \$10.10, or about 10 percent per year). Businesses have more demand for their goods and services as wages rise across the state, helping them pay their employees more as well.

SB-676-SD-1

Submitted on: 2/20/2021 7:33:13 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Dave Kisor	Individual	Support	No

Comments:

While SB676 is a schlep in the right direction, it's a small schlep for Hawaii's employees and an even smaller step for Hawaii's economy. We're shooting for \$17 in HI, bcause everything here costs more than it does on that wretched continent, thanks in part to that bleeping Jones Act. Where \$15 is sufficient for the others, it's borderline here. If this is going to be done incrementally, it's going to be a long, drawn out uphill battle. If employees have the money, they will spend it! Twenty states have raised their own minimim wage and their economies have already improved. Status quo and stagnation seem to be the order of battle here. C'esspool la vie!

SB-676-SD-1

Submitted on: 2/20/2021 7:51:42 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Lynn Robinson-Onderko	Individual	Support	No

Comments:

Aloha Chair and Committee Members,

Please accept my testimony in strong support for SB676 SD1 relating to raising the minimum wage in our state. I would offer that a raise in our minimum wage is long overdue as our cost of living has increased exponentially in recent years. During this pandemic, we have seen the devastating, adverse effects to our working families when they are not paid a living wage.

I humbly ask that you put Hawaii's working families first and move this measure forward.

Respectfully,

Lynn Robinson-Onderko, Ewa Beach

SB-676-SD-1

Submitted on: 2/20/2021 8:10:02 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Becky Gardner	Individual	Support	No

Comments:

President Biden has made a \$15/hour minium wage a key piece of his 2020 platform. This is significant - when the cost-of-living is MUCH higher in Hawaii than on the mainland.

The Economic Policy Institute and the University of California, Berkeley found that raising the federal minimum wage to \$15 by 2025 would **reduce** government spending on public assistance programs and increase tax revenue. I can't think of reasons why the same wouldn't be true in Hawaii.

\$avings! Exactly when we need them.

SB-676-SD-1

Submitted on: 2/20/2021 8:10:06 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Nanea Lo	Individual	Support	No

Comments:

Hello,

My name is Nanea Lo and I'm writing in support of SB676. Hawai'i is one of the most expensive places to live and it's about time that we raise the minimum wage now. People can hardly get by with the wages here and every year the cost of living goes up and up.

Please support this bill.

me ke aloha 'Ä• ina,

Nanea Lo

SB-676-SD-1

Submitted on: 2/20/2021 8:16:40 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Krista Vessell	Individual	Support	No

Comments:

I am writing as a resident, "essential" worker, mother and wife living in Honolulu. I have worked jobs that paid as low as \$7.25/hr and as much as \$15/hr, and even with a \$15/hr full-time job, I could not afford a 2 bedroom apartment on my own. If it wasn't for my husband's Social Security Disability, we would not be able to pay the basic necessities of food, housing and utilities, let alone household goods for our family, car payment, car insurance, phonebill, medical insurance, etc. Hawaii residents, especially those who have been deemed "essential" workers, need to be able to afford the basics to live in the place they work. \$12/hr is honestly not enough. I support this bill AMENDED to at LEAST \$25/hr by 2026. Our economy is based on consumer spending, and an entire workforce of people being unable to afford to spend is not healthy for the economy. We can no longer rely on thousands of tourists a day coming to the islands spending money. We MUST prioritize our resident essential workers; we must enable them to be able to keep the economy going. When workers have more money to spend, they are able to afford to "buy local." Being able to shop at local businesses rather than national big-box retailers is a luxury when workers are counting every single penny they earn. Please strengthen our economy by putting more money into our worker's hands.

SB-676-SD-1

Submitted on: 2/20/2021 8:17:16 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Carolyn Eaton	Individual	Support	No

Comments:

Aloha, my name is Carolyn Eaton and I am an Oahu voter. I'm in strong support of raising the State minimum wage as provided in the SB 676 SD 1. Our minimum wage earners have to work beyond decent limits to earn a living wage in our Aloha State. Please consider amending the language to support a gradual increase in the State minimum wage to \$17/hr. by 2026. I appreciate your consideration.

SB-676-SD-1

Submitted on: 2/20/2021 9:15:29 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Tada	Individual	Support	No

Comments:

Aloha Chairs Dela Cruz, Rhoads, and Members of the Committees:

Mahalo for bringing this bill to a hearing. I would love to see it be amended to include gradually raising the minimum wage to \$17 per hour by 2026.

Additionally, I would like to propose a Part 2 to be added to this bill, based on House Bill 232 from 2019, but with additional striking of language related to qualified community rehabilitation programs:

PART II

SECTION 1. Purpose. Currently, a loophole in the Hawai'i minimum wage allows employers to pay workers with disabilities less than minimum wage, with no minimum, which is regulated through a certificate process. For employers to pay such subminimum wages to workers with disabilities, special wage certificates must be obtained from the United States Department of Labor and the Hawai'i Department of Labor and Industrial Relations. Community rehabilitation programs that wish to qualify for special benefits in Hawai'i are currently required to possess the certificates that authorize the payment of disability-based subminimum wages. This Part (a) repeals the language authorizing the payment of disability-based subminimum wages, and (b) removes the requirement that community rehabilitation programs hold special minimum wage certificates in order to qualify for certain benefits.

SECTION 2. Section 387-9, Hawaii Revised Statutes, is amended to read as follows:

"§387-9 Special minimum wages for learners; apprentices; full-time students; paroled wards of Hawaii youth correctional facility[; ~~handicapped workers~~]. (a) Notwithstanding the provisions of section 387-2, the director may by rule provide for the employment[;

~~(1) Of] of learners, of apprentices, of part-time employees who are full-time students attending public or private schools other than colleges, universities, business schools, or technical schools, and of wards paroled from the Hawaii youth correctional facility, under special certificates issued by the director, at such wages lower than the applicable minimum wage and subject to such limitations as to time, number, proportion, and length of service as the director shall prescribe[; and~~

~~(2) Of individuals whose earning capacity is impaired by old age or physical or mental deficiency or injury, under special certificates issued by the director, at such wages lower than the applicable minimum wage and for such period as shall be fixed in the certificates].~~

(b) The director may by rule prescribe standards and requirements to ensure that this section will not create a substantial probability of reducing the full-time employment opportunities of persons other than those to whom the special minimum wage rate authorized by this section is applicable."

SECTION 3. Section 103D-1001, Hawaii Revised Statutes, is amended by amending the definition of "qualified community rehabilitation program" to read as follows:

"Qualified community rehabilitation program" means a nonprofit community rehabilitation program for persons with disabilities that:

(1) Is organized and incorporated under the laws of the United States or this State, and located in this State;

(2) Is operated in the interest of and ~~[[employs]]~~ persons with disabilities;

(3) Does not inure any part of its net income to any shareholder or other individual;

(4) Complies with all applicable occupational health and safety standards required by the federal, state, and county governments[; and

~~(5) Holds a current certificate from the United States Department of Labor pursuant to the Fair Labor Standards Act, Title 29 United States Code section 214(c), and is certified by the state department of labor and industrial relations under section 387-9 and applicable administrative rules relating to the employment of persons with disabilities.]"~~

SECTION 4. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 5. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the invalidity does not affect other provisions or applications of the Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

SECTION 6. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 7. This Act shall take effect upon its approval.

Mahalo for considering these amendments.

Michael Tada

SB-676-SD-1

Submitted on: 2/21/2021 2:16:00 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Susan Jaworowski	Individual	Support	No

Comments:

I support this bill, but it does not go far enough. While this is a bad time for our employers, it is an even worse time for Hawaii's employees. \$12/hour is too little. Please increase it at least to \$15, and build in a regular cost of living increase so that Hawaii's people can support themselves. If you build in a cost-of-living increase, employers will know to factor this in for the future. Failure to add a cost of living increase is what causes employer backlashes, as they are not expecting this and therefore don't calculate it into their expenses. The cost of living increase therefore is critical.

SB-676-SD-1

Submitted on: 2/21/2021 6:38:18 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Justin Mark Hideaki Salisbury	Individual	Support	No

Comments:

Aloha, Chairs Dela Cruz, Rhoads, and Members of the Committees:

Mahalo for scheduling a DM on this bill.

I have many friends who are requesting two major amendments, and I support them both:

1. Increasing the minimum wage gradually to \$17 per hour by 2026

2. Adding a Part II to the bill, which will

(a) repeal the discriminatory language in HRS Section 387-9, which allows workers with disabilities like me to be paid below minimum wage, even as low as one penny per hour.

(b) remove the requirement for qualified community rehabilitation programs to hold the certificates that enable them to pay disability-based subminimum wages.

Raising the minimum wage to a living wage is the right thing to do. Allowing people like me to receive the same protections enjoyed by everybody else would share the aloha with us.

Mahalo nui!

Justin MH Salisbury

SB-676-SD-1

Submitted on: 2/21/2021 7:54:22 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Stacie M Burke	Individual	Support	No

Comments:

I strongly support SB 676.

Mahalo for your time

Stacie Burke

Aiea , Hawaii

SB-676-SD-1

Submitted on: 2/21/2021 7:59:04 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
LindaPizzitola	Individual	Support	No

Comments:

I support this bill but it is not enough for workers living in the most expensive state in the U.S. I would also support stepping up the minimum wage \$1/year to \$17/hr by 2026.

SB-676-SD-1

Submitted on: 2/21/2021 8:35:14 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Daniela Minerbi	Individual	Support	No

Comments:

I strongly support SB 676 SD1,

too many people and families are living in a dire economic situation, unable to provide their family with adequate means for a safe and dignified life. Life in Hawaii is very expensive, its people need to be cared economically and financially.

Thank you for this opportunity to testify,

respectfully, Daniela Minerbi

SB-676-SD-1

Submitted on: 2/21/2021 8:35:58 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Alejandro Balandrn	Individual	Support	No

Comments:

\$12 in July of 2022 is a good first step but this measure would be greatly improved if it was amended to gradually increase the minimum wage to \$17 by 2026.

I am reaching out to submit testimony in SUPPORT but with suggested amendments to continue incremental increases until \$17 by 2026 is achieved.

Pandemic or no pandemic, 26 other states have already approved minimum wage increase for this year. Hawaii has the highest cost of living, yet 20 states already have a higher minimum wage than we do.

Hawaii's actual history has shown that when the minimum wage has been increased incrementally and phased in over time, there was no widespread nor significant negative impacts on business, and consumer spending actually grew.

Thank you for supporting and defending Hawaii's workers by amending SB 676 and for the opportunity to submit testimony.

Aloha,

Alejandro Balandrn

ajbaland@hawaii.edu

(909)260-5489

SB-676-SD-1

Submitted on: 2/21/2021 8:46:16 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
William Aquino	Individual	Support	No

Comments:

Minimum wage increase will greatly help the local community specially Hawaii Residents.

With Hawaii tourism Local always compete with tourist who can afford to buy items that locals could not barely afford specially food, clothing and Accommodation/Shelter.

SB-676-SD-1

Submitted on: 2/21/2021 9:04:41 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melia Leslie	Individual	Support	No

Comments:

Pandemic or no pandemic, 26 other states have already approved minimum wage increase for this year. Hawaii has the highest cost of living, yet 20 states already have a higher minimum wage than we do.

Hawaii's actual history has shown that when the minimum wage has been increased incrementally and phased in over time, there was no widespread nor significant negative impacts on business, and consumer spending actually grew.

SB-676-SD-1

Submitted on: 2/21/2021 9:09:17 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Andrew Crossland	Individual	Oppose	No

Comments:

Aloha Sir / Madam,

The minimum wage should not be increased for Hawaii businesses. All reasonable efforts for the foreseeable future should be focused on providing relief for Hawaii businesses and individuals, not imposing further regulatory and tax burdens that will only result in negative economic outcomes and unintended consequences. Instead, the government of Hawaii should focus on supporting businesses in all possible areas, making it easier for businesses and individuals to thrive, thus generating more employment and economic prosperity for all the people of Hawaii.

I strongly testify against this Bill and all other Bills that would increase regulations and economic challenges on Hawaii businesses and individuals.

Mahalo for your kokua,

Andy

SB-676-SD-1

Submitted on: 2/21/2021 9:12:03 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Taylor Hoye	Individual	Support	No

Comments:

As a person who works minimum wage and has friends and family who all work the same, of all ages, I think it's necessary to raise minimum wage. It's expensive and hard living out here for the people who work the hardest. Just to get by, pay for food, necessities, kids, rent, it's hard to get by, and I mean it when I say, we're just getting by, paycheck to paycheck. Unemployment is another issue, I believe unemployment should not be taxed! People need help, and are receiving funds to "help", yet they still have to somehow, someday pay taxes on that money and are left wondering how we're going to pay tht back and make our home life okay, especially in weird, awful times like now with Covid-19.

SB-676-SD-1

Submitted on: 2/21/2021 9:12:30 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Sherry Pollack	Individual	Support	No

Comments:

\$12 in July of 2022 is a good first step. Please support this important bill, but add an amendment to increase Hawaii's minimum wage to \$17 by 2026.

SB-676-SD-1

Submitted on: 2/21/2021 9:13:52 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Mary Lacques	Individual	Support	No

Comments:

Aloha Chairs Dela Cruz and Rhoads, Vice Chairs Keith-Agaran and Keohokalole, and Members of the Committees.

I am submitting testimony in STRONG support of SB 676 S.D. 1.

As you know, according to recent studies, 40 hours a week at \$17 per hour is what it takes simply to survive in Hawai'i. Because of this huge disparity between the current minimum wage and a living wage, many of us in Hawai'i work two or more jobs just to maintain this basic standard of living, therefore I am respectfully asking you to amend the bill to include incremental increases until it reaches \$17 per hour in 2026, preferably annual increases.

Mahalo for advocating for your constituents, Hawai'i's working families.

SB-676-SD-1

Submitted on: 2/21/2021 9:28:57 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Barbara L. George	Individual	Support	No

Comments:

SUPPORT 12/hour minimum!! BUT, this is ONLY a first step. BUILD IN steady increases to AT LEAST 17/hour minimum, which is the bare minimum living wage (and adjust this to inflation as time goes on).

SB-676-SD-1

Submitted on: 2/21/2021 9:40:33 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Greg and Pat Farstrup	Individual	Support	No

Comments:

This bill needs to be amended to set the minimum wage at \$15 an hour in 2022, \$17 an hour in 2024, and \$20 an hour in 2026.

SB-676-SD-1

Submitted on: 2/21/2021 9:47:53 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Clair Mason	Individual	Support	No

Comments:

Aloha e Chair, Vice Chair, members of the committee,

I am in support of SB676 in regards to raising the minimum wage, and also request that the minimum wage be amended to increase to **\$17/hour by 2026**. The living wage is currently \$17/hour in Hawai'i and will only go up as time passes. Hawai'i's families deserve to be able to care for their keiki and kupuna, and cannot do that with a \$12/hour wage.

Mahalo,

Clair Mason

SB-676-SD-1

Submitted on: 2/21/2021 9:51:04 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
gordon b peterson	Individual	Support	No

Comments:

\$12 in July of 2022 is a good first step but this bill would be better if it were amended to gradually increase the minimum wage to \$17.

26 other states have already approved minimum wage increase for this year. Hawaii has the highest cost of living, yet 20 states already have a higher minimum wage than we do. This is grossly unjust and unfair.

History has shown that when the minimum wage has been increased incrementally over time, there was no significant negative impacts on business. Consumer spending actually grew. I suspect the has would happen in Hawaii.

Mahalo

SB-676-SD-1

Submitted on: 2/21/2021 10:00:10 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kim I Miller	Individual	Support	No

Comments:

I support raising the minimum wage in Hawaii to \$12/hour and further support incremental wage increase to \$17/hour as soon as possible. The high cost of living in HI isn't news to anyone, nor the high percentage of and demand for workers at the minimum wage earning level. When people who are working full time cannot afford rent, childcare, household necessities and food, not only is it an affront to their dignity and harmful to them as individuals and to their families, but it harms our state with social, economic, educational and other serious consequences.

SB-676-SD-1

Submitted on: 2/21/2021 10:12:47 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ramona Hussey	Individual	Support	No

Comments:

Senators,

I urge your support for a serious increase in the Minimum Wage. However, Senate Bill 676 should be amended to hasten the start of regular increases -- workers need help NOW not just a year and a half from now. And the ultimate goal has to be a LIVING WAGE -- \$17/hour is closer to a liveable wage and THAT should be our goal.

Thank you for your consideration of a real increase in Minimum Wage for Hawaii's workers.

Ramona Hussey

SB-676-SD-1

Submitted on: 2/21/2021 10:17:53 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
George White	Individual	Support	No

Comments:

Aloha Chairs Dela Cruz and Rhoads, Vice Chairs and Members -

I write in STRONG SUPPORT of this measure (SB 676, SD1) and any measure to increase Hawaii's current minimum wage of \$10.10 per hour. I urge your Committee to be as bold as possible when it comes to this critical quality of life measure, and encourage you to consider raising the minimum wage to \$17 by 2026, broken down in manageable, incremental steps.

DBEDT's most recent report regarding this issue demonstrates that a living wage is not only possible, but it is also economically desirable. Further, DBEDT concludes that past increases to the minimum wage did not result in negative economic effects in Hawaii.

Currently, 10 states and the District of Columbia have minimum wages higher than in Hawai'i. California, New York, Massachusetts, the District of Columbia, New Jersey, Illinois, and Maryland have all passed laws to increase their minimum wage to \$15 per hour, while their costs of living are all lower than Hawaii's. In addition, even the federal government is seriously considering raising the federal minimum wage to \$15 per hour. Pandemic or no pandemic, 27 other states are raising their minimum wage this year, and Hawaii should be as well.

Current legitimate and conservative estimates provide that Hawaii's minimum wage should be at least \$17 per hour. Incrementalism is important, so as not to shock our economic system, but prudent decisive action is needed now, as well as continued annual increases that are connected to our basic cost of living.

Thank you for this opportunity to provide testimony, and for your efforts and consideration to provide necessary support for the working individuals and families that make up the backbone of our Hawaii.

Mahalo nui loa -

George White

SB-676-SD-1

Submitted on: 2/21/2021 10:28:16 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Erik Rask	Individual	Comments	No

Comments:

Aloha,

I am a Honolulu resident and support SB676 except the Bill should be amended to increase the minimum wage to \$17.00 per hour by 2026. During the pandemic we have seen how critical essential workers are to ensuring the functioning of our society. Grocery stores, convenience stores, auto parts stores, hardware stores, etc., all must remain open and staffed even as the rest of us stay home. We need the people who work in these places. They are the ones receiving minimum wage, and they deserve to be paid based on their importance. Moreover, an increase to the minimum wage consistent with other states' increases (to \$17.00/hour) is simply humane. None of the committee members could survive on \$12.00/hour or less. Please amend and pass this bill. Do what is right.

Mahalo,

Erik Rask

SB-676-SD-1

Submitted on: 2/21/2021 10:29:13 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Siobhan Coad	Individual	Support	No

Comments:

I am in full support of raising the minimum wage to \$12 an hour by 2022.

While I do think this is an important start, I would implore the committee to consider adding ammendments that include incremental increases to \$17 an hour by 2026. This number has time and again been proven to be the wage needed to survive reasonably in Hawaii.

I know many say that now is not the time for discussing wage-increases; if now is not the time than when is? During COVID-19 we saw people stretched to their very limits. In the beginning of the lockdown, many of those considered essential workers were being paid \$10 an hour to do work that we, as a community label 'essential.' It is time that we treat everyone in our community like they are worthy of a fulfilling life, not just those who operate in the higher echelons of our society.

Thank you for taking the time to discuss this bill. Please do the right thing and take some pressure off of our already struggling community by passing this bill.

Graciously,

Siobhan Coad

96816

LATE

SB-676-SD-1

Submitted on: 2/21/2021 10:56:04 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Gloria Palma	Individual	Support	No

Comments:

\$12 in July of 2022 is a good first step but this measure would be greatly improved if it was amended to gradually increase the minimum wage to \$17 by 2026.

I am reaching out to submit testimony in SUPPORT but with suggested amendments to continue incremental increases until \$17 by 2026 is achieved.

Pandemic or no pandemic, 26 other states have already approved minimum wage increase for this year. Hawaii has the highest cost of living, yet 20 states already have a higher minimum wage than we do.

Hawaii's actual history has shown that when the minimum wage has been increased incrementally and phased in over time, there was no widespread nor significant negative impacts on business, and consumer spending actually grew.

Thank you for supporting and defending Hawaii's workers by amending SB 676 and for the opportunity to submit testimony.

LATE

SB-676-SD-1

Submitted on: 2/21/2021 11:08:59 AM
Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Raymond Catania	Individual	Support	No

Comments:

To Chairs and Committee members of LCA,WAM/JDC

Please pass SB676 SD1. Also, consider with amendments to \$17 an hour by 2026. All the facts and research has been submitted. We need action. Hawaii's thousands of poorer workers need this help now.

Mahalo,

Raymond Catania, Raise Up Hawaii from Kauai, 4215 Kole Place, Lihue 96766
may11nineteen71@gmail.com

LATE

SB-676-SD-1

Submitted on: 2/21/2021 11:11:10 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Donna Carsten	Individual	Support	No

Comments:

I fully support increasing the minimum wage to \$12 by 2022. However, I would further request an amendment to increase it to \$17 by 2026.

Other states have passed a \$15 minimum wage law -- and their cost of living is not the highest in the nation, as it is in Hawaii.

Increasing the minimum wage will not only help the workers, it will help the economy, as workers may have disposable income to spend within the state.

I implore you to consider ALL your constituents, and to pass this bill WITH the amendment.

LATE

SB-676-SD-1

Submitted on: 2/21/2021 11:44:33 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jessica dos Santos	Individual	Support	No

Comments:

Aloha Senator DelaCruz and Senate Members,

I strongly support raising the minimum wage and would highly recommend amending it to \$17 per hour. It is time to do the right thing and treat our workers with dignity and respect. They are the backbone of our economy and without their hard work, we would not be able to move forward. I believe that it costs the state more to deal with the issues of poverty that plague our people than to give our people a living wage. Businesses will need to adapt, and they should for the good of society. We should continue to promote policy that lifts up local businesses and encourages people to buy locally. We need to think creatively about how to build an economic system that works for the majority and passing this bill now will force us to create a new normal instead of bowing to the status quo. Thank you for considering this very important measure.

Respectfully,

Jessica dos Santos

LATE

SB-676-SD-1

Submitted on: 2/21/2021 2:04:57 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Marya Grambs	Individual	Support	No

Comments:

Hawaii is the most expensive state to live in in the country - and we have the second highest rate of homelessness. That's not merely a coincidence. Hawaii's minimum wage of \$10.10 per hour is \$21,000 per year. Can you imagine living on that? And paying for childcare? Never mind rent? Who can possibly live on that? And it's not just teenagers who work in these jobs. It's people who have families to support.

The business community tells you that it will drive out businesses, cause them to reduce their workforce or raise prices. Studies show that employers continue to do well when wages are raised, including in low-wage sectors such as restaurants: there is lower staff turnover (since recruitment and training are expensive); prices rise but not substantially. And it's not only good for the low wage workers: increasing the minimum wage means that low-paid workers have more money to spend on goods and services in the economy.

Please have compassion for those at the lowest end of the wage scale. Thank you.

LATE

SB-676-SD-1

Submitted on: 2/21/2021 2:11:12 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Rick Casey	Individual	Support	No

Comments:

I am in SUPPORT of raising the minimum wage and also support amendments to continue incremental increases until \$17 by 2026 is achieved.

Please, this is long overdue and this state needs every initiative to attract employees here. Yes we need the higher income jobs filled but those employees have family members and children that might just endorse staying in Hawaii if they could **AT LEAST** secure a job that made it possible to live here.

LATE

SB-676-SD-1

Submitted on: 2/21/2021 2:18:27 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Sherry Pollock	Individual	Support	No

Comments:

Dear Senators,

I'm fully in favor of this bill, and PLEASE use suggested amendments to continue incremental increases until \$17 by 2026 is achieved. And truly, with the ever more rapid increase in cost of living, that seems too slow!

Pandemic or no pandemic, 26 other states have already approved minimum wage increase for this year. Hawaii has the highest cost of living, yet 20 states already have a higher minimum wage than we do.

Hawaii's actual history has shown that when the minimum wage has been increased incrementally and phased in over time, there was no widespread nor significant negative impacts on business, and consumer spending actually grew.

So, please include the amendments to increase to \$17 by 2026.

Mahalo!

Sherry Pollock, Anahola

LATE

Senator Karl Rhoads, Chair
Senator Jarrett Keohokalole, Vice Chair
Senate Committee on Judiciary

Senator Donovan M Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair
Senate Committee on Ways and Means

Monday, February 22nd, 2021
Hawaii State Capitol via Video Conference

In support of S.B. 676, S.D. 1, Relating to the minimum wage with amendments.

Dear Chair Rhoads, Chair Dela Cruz, Vice-Chair Keohokalole, Vice-Chair Keith-Agaran, and esteemed members of the committee,

My name is Emma Ishihara, and I am a lifelong resident of Hawai‘i and a student at the University of Hawai‘i at Mānoa.

I am very happy and excited to see this bill progress in our state. It is widely known that the cost of living has been increasing at a rate much higher than the minimum wage has been. I strongly support this bill and its intentions to increase the minimum wage.

Today, I would like to submit my strong support for S.B. 676, S.D. 1, Relating to the Minimum Wage but with amendments.

People in our state are struggling to survive and can hardly find jobs that pay enough to support their family home costs. Housing is the largest expense by far for any individual or family in our state and the current minimum wage is not enough to keep our keiki off the streets. It is clear that employers will only pay people the minimum they are required to and thus it is vitally important to pass a bill enforcing higher wages for workers.

However, there is one amendment that I would propose to improve this bill to a decent standard. \$12 per hour is not nearly enough and many people, as seen in the protests among workers from Hawaiian Airlines who begged their employers for higher wages from 2017 to the present and to no avail. Workers unions and individuals who are struggling to get by on the current minimum wage need the support of our community and of you, our esteemed congress members.

Rather than enforcing a minimum wage based on the cost of food and assuming that it would be enough to support our community, this congress should enforce a living wage of \$17 per hour to support our highly gentrified community.

Thank you so much for the opportunity to testify in support of this bill,

Emma M N Ishihara.

LATE

SB-676-SD-1

Submitted on: 2/21/2021 2:50:22 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Joan Gannon	Individual	Support	No

Comments:

Hi this is Joan from West Hawaii asking you to support SB676. This is a good bill and I think it would be better if amended to continue incremental increases until \$17 by 2026 is achieved.

Thank you for your consideration

Joan Gannon

LATE

SB-676-SD-1

Submitted on: 2/21/2021 3:03:16 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Adrian Bontje	Individual	Support	No

Comments:

Strong support. Should be at least \$27.00

LATE

SB-676-SD-1

Submitted on: 2/21/2021 4:05:34 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Glenn Nagao	Individual	Support	No

Comments:

The federal minimum wage guidelines are not sustainable and have lagged behind the general cost of living and inflation for decades. Add on that Hawaii has a much higher cost of living, and the reasons to increase the minimum wage become even stronger.

With so many residents living paycheck to paycheck, on the brink of financial collapse or homelessness, we need to provide more safety and protection for our people. People argue that minimum wage work shouldn't be long term but the truth is that for many it is and the only way to sustain a living without fully relying on government assistance. Let's put money into the hands of our people and give them a path to security and safety. Frankly \$12 is not enough, but better than what's in place.

Support SB676.

LATE

SB-676-SD-1

Submitted on: 2/21/2021 4:13:55 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Nancie Caraway	Individual	Support	No

Comments:

Chairpersons Rhoads, Dela Cruz: Committees Ways & Means, Judiciary.

Please accept my strong support of SB676SD1.

I RESPECTFULLY REQUEST THAT YOU AMEND THE BILL TO RAISE THE MINIMUM WAGE TO \$17 by 2026. THIS CHANGE CAN EQUITABLY BE PHASED IN OVER TIME AS NOT TO INFLICT HARDSHIPS ON EMPLOYEERS.

I am currently reading a January 23, 2021 article from the WALL STREET JOURNAL. The title is "HOW HIGHER WAGES CAN INCREASE PROFITS." This article contains recent research that proves that higher wages can BOOST THE BOTTOM LINE AND AT THE SAME TIME PROVIDE LIVING WAGES TO AMERICAN WORKERS. They cite several firms which have followed this policy: Chobani, Wayfair E-furniture retailer, Amazon. These increases help employees during COVID times while also BUY LOYALTY AND GOODWILL.

Economists call this practice "the efficiency wage theory."

Our own Star Advertiser writes on February 9: "OUTLOOK BRIGHTENS FOR HAWAII ECONOMY. These data derive from the UHERO's presentation to the Legislature. This forecast is an additional positive sign to achieve living wages.

Equally important is the MORAL ISSUE. Hawaii's lowest-wage and unionized workers and their families face the highest cost of living challenges in the country. You are all too aware of the inequalities which further burden these income groups.

IT IS URGENT THAT THE LEGISLATURE ENACT THE \$17 WAGE. THIS WOULD BE A LONG OVERDUE DEMONSTRATION OF ECONOMIC JUSTICE. IT IS SO IMPORTANT FOR PEOPLE WHO DO VALUABLE (often invisible) WORK TO KNOW THEY AND THEIR FAMILIES ARE VALUED.

There is a strong moral case for \$17 wage increase. But there is a strong business case as well since wages increase productivity and ultimately FEED BACK INTO THE LOCAL ECONOMY.

Mahalo Nui Loa for supporting this amendment. Given our Hawaii sense of ohana - this action ENHANCES OUR CAPACITY TO SEE OURSELVES AS SHARING A COMMON FATE.

Nancie Caraway, Ph.D

LATE

SB-676-SD-1

Submitted on: 2/21/2021 5:11:24 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Neil Abercrombie	Individual	Support	No

Comments:

Aloha Senate Chairpersons Rhoads and Dela Cruz:

I have been a member of the Democratic Party of Hawaii for 62 years. The advent of Statehood for Hawaii in 1959 inaugurated an era of progressive Democratic Party politics unparalleled in our nation's history. The first time I had the honor of entering our State Capitol - where you now sit - I observed discussions on the floor of the State Senate. The discussions concerned raising Hawaii's minimum wage.

I was taken to those hearings by Dave Thompson of the ILWU as a young graduate student at the University of Hawaii Manoa. I wanted to learn in order to facilitate my efforts to organize UH graduate teaching assistants.

The Republican Party was arguing against raising the minimum wage. The essence of their arguments at that time was that the time was not right, that it would cost jobs, and that the State could not afford it. Nothing's changed.

Since then I have had the honor of serving in the State Legislature as a Representative and Senator, the Honolulu City Council, the Congress of the United States, and as Governor of the State of Hawaii. The Democratic Party instilled in me a foundation of values grounded in creating opportunity and justice for working people.

We, as Democrats, have failed to live up to the legacy of our Party and our obligations to working people - the very foundation of our support. That gap in living up to our legacy must be corrected.

I respectfully ask that you pass an AMENDMENT to SB676 increasing Hawaii's minimum wage to \$17/hr. by 2026.

Neil Abercrombie

LATE

SB-676-SD-1

Submitted on: 2/21/2021 7:05:20 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Anna Mackey	Individual	Support	No

Comments:

It is imperative that you all act in the best interested of all residents of the state of Hawaii and increase the current minimum wage.

Doing so will allow for workers to better afford the giant cost of living that is required to survive in the state of Hawaii. Essential workers have been showing up throughout the pandemic and need support through higher wages.

In addition to allowing all workers to afford their necessities, raising the minimum wage will provide the needed boost to consumer spending that our economy needs.

LATE

SB-676-SD-1

Submitted on: 2/21/2021 7:18:54 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Calvin Foo Pham	Individual	Support	No

Comments:

The increase should be higher, but we will take what we can get for now. Housing costs are so high in our community that it is hard for minimum wage workers to maintain a budget with only 30% of income going to cover their housing expenses. When you have to pay more than 30% of your income in housing, you end up sacrificing other necessities like groceries, healthcare, transportation, etc. We need our cost of living and our wages to come closer together to give everyone in our community a fair and fighting chance to thrive. I support raising the minimum wage.

LATE

SB-676-SD-1

Submitted on: 2/21/2021 8:47:10 PM
Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
janice palma-glennie	Individual	Support	No

Comments:

aloha,

i support the effort of this bill, but i feel that the bar is set too low.

a living wage in hawaii is not the same as other places. with our high cost of living, people need to earn a wage that will keep them housed and their 'ohana fed.

i ask that you raise the wage increase to a minimum of \$17 by 2026, broken down in manageable, incremental steps as proposed by other senators.

honestly, if the visitors who flew into Hawai`i in their private jets had to pay a reasonable tax for the use of our airports, airspace and other infrastructure, and they had to pay reasonable fees to live in multi-million dollar second, third and fourth homes here, we'd be able to insure that working people could survive without making a dent in the lifestyles of those over-endowed visitors and off-island homeowners and investors.

mahalo for working for the people who live here --those you are meant to represent.

sincerely,

janice palma-glennie

LATE

SB-676-SD-1

Submitted on: 2/21/2021 9:31:15 PM
Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Cris Bartolome	Individual	Oppose	No

Comments:

I am submitting my testimony to OPPOSE SB676.

If this bill is passed, where are small businesses supposed to get the money to pay for the wage increase? The cost, understandably, will be passed on to the consumer. The consumer will not frequent these businesses as much because they would not be able to afford it. Now, the business owner will have to find ways to not shut down. One way is to cut hours. Now the employee is basically back in the same place. Or the employer might just shrink the workforce and get touchscreen kiosks.

Instead, the lawmakers should be passing laws that are business friendly. Reduce taxes and regulations so these companies would be able to make enough money to raise wages on their own. Possibly give bonuses.

Also, by making this business climate more favorable for businesses to come in, Hawaii can diversify and not be solely dependent on tourism. If not, Hawaii will go the way of California. Businesses leaving to go to business friendly states. States that are thriving.

Give businesses more breaks, let them thrive and they'll take care of their employees. But if you try to mandate these wage increases, you'll shut down businesses and drive the ones that survive away.

Respectfully,

Cris

LATE

SB-676-SD-1

Submitted on: 2/21/2021 10:14:06 PM
Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Korynn Grenert	Individual	Support	No

Comments:

Please pass SB676 with amendments to raise the minimum wage to \$17 by 2026. \$12 is not a living wage in Hawaii, and thousands of workers in Hawai'i are not making enough to make ends meet. Mahalo!

Sincerely, Korynn Grenert

LATE

SB-676-SD-1

Submitted on: 2/21/2021 10:18:54 PM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Cu Ri Lee	Individual	Support	No

Comments:

Aloha,

\$12 in July of 2022 is a good first step but this measure would be greatly improved if it was amended to gradually increase the minimum wage to \$17 by 2026. **I am reaching out to submit testimony in SUPPORT but with suggested amendments to continue incremental increases until \$17 by 2026 is achieved.**

Pandemic or no pandemic, 26 other states have already approved minimum wage increase for this year. Hawaii has the highest cost of living, yet 20 states already have a higher minimum wage than we do.

Hawaii's actual history has shown that when the minimum wage has been increased incrementally and phased in over time, there was no widespread nor significant negative impacts on business, and consumer spending actually grew.

Thank you for supporting and defending Hawaii's workers by amending SB 676 and for the opportunity to submit testimony.

Senator Donovan M. Dela Cruz, Chair
Senator Karl Rhoads, Chair

Yvonne Yoro
808-352-5137
48 Rose Street
Wahiawā, HI 96786



Monday, February 22, 2021

Support for SB 676 SD1, RELATING TO THE MINIMUM WAGE.

I am testifying in support of SB 676 SD1, however, I plead for an amendment to the bill. Raising the minimum wage to \$17 by 2026 through incremental steps will be far more manageable for businesses than the current proposal of raising the minimum wage to \$12 by 2022. Additionally, it will give working families more buying power in our economy and encourage support for small, local businesses over cheaper, non-local options.

Our economy is powered through consumer spending and businesses in Hawai‘i and they need customers in order to survive. Not only has this pandemic-recession made it extremely difficult for Hawai‘i’s low-wage families to make ends meet in an already high-cost state; many of our local businesses have been forced to close their brick-and-mortar shops that have long been staples in our communities.

As we look back at the last minimum wage hike, we’ll see that raising the minimum wage has helped small businesses in Hawai‘i. When the minimum wage was raised between 2014 and 2018 from \$7.25 to \$10.10, the number of small businesses and small business employees also increased. Since low-wage labor accounts for a small portion of a business’s costs, an increase in their prices of just 2 percent should compensate for a \$1 per year raise in the hourly minimum wage.

This proposed 11 percent annual minimum wage increase by 2026 (or \$17 by 2026) will not only help earners increase their buying power over time, it will also help our businesses adjust gradually in this new minimum wage hike. (Compare that percentage to the existing proposal of \$12 by 2022, which is a whopping 19 percent increase.) Given the points stated, my position stands in support of SB 676 SD1 with the amendment. Mahalo and aloha.

LATE

SB-676-SD-1

Submitted on: 2/21/2021 10:44:21 PM
Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Nikos Leverenz	Individual	Support	No

Comments:

Chair Dela Cruz, Chair Rhoads, and Members of the Ways & Means and Judiciary Committees:

An increase in the minimum wage is long overdue. Hawaii's high cost of living counsels an increase toward \$17, with many other states now working their way to \$15.

Many local families are facing increased food insecurity, occupational uncertainty, and housing instability. Adequate wages for those who are working are vital to keeping them afloat. More wages will increase a worker's ability to engage in consumer spending that will largely benefit local businesses.

Businesses will also benefit from the relative certainty of planning for fixed wage increases in the years ahead.

Mahalo,

Nikos Leverenz

LATE

SB-676-SD-1

Submitted on: 2/22/2021 12:34:26 AM
Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Mary Smart	Individual	Oppose	No

Comments:

I strongly oppose because it will hurt the people of the state. Higher minimum wages will only increase the cost of living due to increase cost of products and services. We know it doesn't achieve its promised results. The minimum wage has been raised many times in my lifetime and the only result is skyrocketing costs. Businesses will have to reduce their staff which also negatively impacts our residents. This state has irreparably harmed the economy of the state by locking down commerce for a virus that has proven to be no deadlier than the annual flu. Open up businesses at full capacity if you want to help the public increase their income. The increase in minimum wage reduces the value of any savings that a family may have been able to accumulate. Yes, if the minimum wage is increased government will be reap the benefit in increased taxes because a bigger wage gives a bigger tax. I am asking our elected officials to stop legislating solutions that harm Hawai'i residents. Increased taxes hurt us all. There is too much waste in the budget now. I can think of MANY functions that could be cut with no negative impact to our health and safety. Do not pass this bill.

LATE

SB-676-SD-1

Submitted on: 2/22/2021 1:57:48 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Natasha White	Individual	Support	No

Comments:

Thank you for the opportunity to provide testimony.

I strongly support this bill, though I am also in favor of amendments that would bring a true living wage of \$17 to Hawaii's workers.

Hawaii's low minimum wage is keeping more than 150,000 full-time workers from earning a living wage, forcing them to struggle to survive. These workers are disproportionately women and people of color. Black, Native Hawaiian, Filipino, and other minority workers are more likely to be paid poverty wages, and these low wages persist generationally, maintaining the status quo of racial income inequality for decades.

Full-time workers earning starvation wages must live in substandard housing, skip meals and go without medicine. This leads to chronic stress, significant health problems, and shortened lifespans. These are workers in grocery stores, food-service, sanitation - in other words, "essential workers." Essential workers carried us through 2020. In the words of President Joe Biden, "let's not just praise them, let's pay them."

According to the state's own study, a single adult working at minimum wage has to work 75 hours per week just to have their basic needs met. No one should have to work two full time jobs just to scrape by! Eight states are already at or on their way to a \$15 minimum wage, and Hawaii's high cost of living and Democratic supermajority leave us with no excuse as to our poverty-level wages.

Thank you again for the opportunity to testify in favor of this crucial bill.
Natasha A. White

SB-676-SD-1

Submitted on: 2/22/2021 2:55:26 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Jasmine Balangitao	Individual	Support	No

Comments:

Aloha Chairs Dela Cruz and Rhodes and members of WAM and Judiciary

First I gotta tell you Man its expensive to be poor. My name is Jasmine Balangitao and I STRONGLY SUPPORT this minimum wage bill \$12/hr by 2022 with amendments for incremental increases to \$17/hr by 2026. As one of the struggling local families here trying to keep our heads above water I implore you to pass this very needed bill that is already late to the game but we gotta get the ball rolling somewhere. Being so close to being homeless super scary and stressful. How are we suppose to keep up with our high cost of living that continues to go upwards. Stop the madness. If we dont get our minimum wage increased then you guys better start plan B which is start building more shelters for all the homeless families coming your way. Now is the time to change lives of Hawaii people for the greater good.

Mahalo, Jasmine Balangitao

LATE

SB-676-SD-1

Submitted on: 2/22/2021 4:41:23 AM
Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Banner Fanene	Individual	Oppose	No

Comments:

Talofa -

I "OPPOSE" SB676 because it is an Economic band-aid and a poor one at best.

Increasing the minimum wage does nothing for workers because the Cost of Living grows at a much faster rate.

The solution is not to increase the minimum, the Solution is to lower Hawaii's Cost of Living through Legislation.

Fa'afetai

LATE

SB-676-SD-1

Submitted on: 2/22/2021 9:05:38 AM
Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Eileen K Nanni	Individual	Support	No

Comments:

For decades now, the minimum wage in the state of Hawaii has not been able to adequately support local families, who constantly face the onset of higher cost of living in a state of the union, Hawaii, which has the highest cost of living.

Congress and the governor of Hawaii must incrementally approve the suggested amendments to continue incremental increase until \$17 by 2026 is achieved, still a low hourly minimum wage for Hawaii.

Mahalo nui loa,

EileenK Nanni

SB-676-SD-1

Submitted on: 2/22/2021 9:10:59 AM

Testimony for WAM on 2/22/2021 10:30:00 AM



Submitted By	Organization	Testifier Position	Present at Hearing
Leimomi Khan	Individual	Support	No

Comments:

1. Support with amendment to result in a living minimum wage of \$17 in 2026 fully understanding the hardships imposed upon small businesses. Increases in incremental phases to \$17 in 2026 would allow businesses to adjust over a period of five years. I don't like that wage increases will increase consumer prices, but I think it's a matter of priority to take care of our families , especially those who have been born and raised here. Recent studies indicate that it will take 40 hours a week at \$17 per hour to survive in Hawaii. It's also ridiculous to think that a permanent \$12 minimum wage will result in workers being able to afford rentals and certainly they would likely not qualify to purchase a home. As an island, we've certainly got ourselves into a mess with high costs of living.

The State legislature has the opportunity to be heroes, but currently it should be ashamed of its cowardly act in representing its population. We need \$15/hr minimum wage in 2021. \$12/hr is not good enough let alone the current \$10.10/hr. Let me Explain in detail:

There are 2,087 hours per year, according to the U.S. Office of Personnel Management. This is based on the basic number of hours full-time employees work: at 40 hours a week for 52 weeks, that's 2,080. Thus, this means:

Currently at \$10.10/hr = \$21,078.70/Year

Legislature's proposed continued starvation wage of \$12/hr = \$25,044/Year

\$15/hr = \$31,305/Year

This is income before tax.

According to smartasset.com's Hawaii income tax calculator, for Single no dependent \$10.10/hr



Tax-type	Effective Tax Rate	2020Taxes
Federal	4.12%	\$868
FICA	7.65%	\$1,612
State	4.31%	\$908
Total Income Tax	16.08%	\$3,389
Annual Total Take-Home Pay		\$17,689

According to rentdata.org 2020Hawaii average 1/bedroom apt is \$1,406/month= \$16,872/ year.

At current minimum wage an individual with no dependent after tax and rent is at \$817 for the year

\$817 for the year after only paying income tax and rent

\$817 for the Year!!!!

This is not including Electricity, water, sewage internet, food, clothes, car payment, gasoline. This is what drives Homelessness in Hawaii. Yes there is not enough affordable housing (which is another major issue) but people cant even afford the housing if its available or not.

This is a disaster bigger then Hurricane Iniki; More disastrous then the 2018 Puna Lava flow.

This can be easily fixed by you.

You have the opportunity to be a hero for your Communities and Hawaii. Address poverty and homelessness. Do the right Thing. Do what we elected you for; Represent your people with facts, dignity and respect.

This increase will have an immediate impact on reducing homelessness when people who work full time can afford basic housing.

This is currently the most important issue in Hawaii: Even during the global pandemic and subsequent economic depression; along with massive human induced climate change and energy crisis, which our state is one the most vulnerable to in the U.S. and the world.

26 other states in the U.S. have already approved minimum wage increase for this year (2021). Hawaii has the highest cost of living in the U.S. yet 20 other states already have a higher minimum wage than Hawaii. This is unacceptable, and it is your job to make Hawaii leaders in the U.S. in equality and justice for all.

SB-676-SD-1

Submitted on: 2/22/2021 10:15:57 AM

Testimony for WAM on 2/22/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Troy Ballard	Individual	Support	No

Comments:

Aloha,

Raising the minimum wage to \$12 in July of 2022 is a good first step but this measure would be greatly improved if it were amended to gradually increase the minimum wage to \$17 by 2026.

I am reaching out to submit testimony in SUPPORT of this bill, but with the suggested amendment to continue incremental increases until \$17 by 2026 is achieved.

Thank you for the opportunity to provide testimony on this matter and for your commitment to support Hawai'i's workers.

With gratitude,

Troy