

## Raise the Minimum Wage Testimony

Darlene Furey MSS/MLSP LICSW, NASW VT ED  
Toby Ingmire, Champlain College Social Work Student  
Erica Raff, MSW

10/2/2017

Thank you for the opportunity to present testimony today. My name is Darlene Furey and I am the Executive Director of the National Association of Social Workers, Vermont Chapter (NASW-VT). NASW VT represents the social work profession in Vermont. I am here with my colleagues, Toby Ingmire, a social work student from Champlain College and Erica Raff MSW.

Social workers are in a unique position to witness the impact public policy has on the lives of individuals. We are there as the single mother agonizes about how she will pay her bills on a minimum wage salary. We are there as the young couple, both working full time, struggles to cover their rent. And we are there as the elderly Vermonter, working well past retirement age, grieves over the difficult financial choices they are forced to make to survive. Social workers walk with Vermonters through these and a myriad of other challenges every single day. For these and many other reasons, we support the proposed raising of the minimum wage.

There seems to be a notion that minimum wage earners are all teenagers or individuals just beginning a career. We know this is not the case. Women often have disrupted career paths, due to caregiving responsibilities. The need to be available or flexible, often forces women to choose jobs that pay less but offer that flexibility. Women often take time off from work to take care of their children at a young age or their parents as they age or family members who have fallen ill. Once they resume work, they find their options limited. Women are disproportionately affected by this policy. We know that Nearly 45% of all Vermont women earn under \$15/hour. For all Vermonters earning less than 12.50 an hour, 55% are women. This is especially devastating for single mothers.

In Vermont, according to 2016 Status Report: Women, Work and Wages in Vermont, 66% of adult women and 69% of adult men participate in the labor force, more than 7 percentage points above the national average. Yet, 43% of Vt women who work full time do not make enough to cover basic living expenses.

Median annual income for women working full time is \$37,000, \$7000 less than men . This translates to a wage gap of 16%, or 16 cents on every dollar earned by men. The wage gap represents a lingering economic inequality. This is a gap that could be narrowed by increasing the minimum wage.

In 2007, Vermont set a goal to cut the child poverty rate in half. According to the Vermont Child Poverty Council, 13.7 percent of Vermont children are currently living in poverty. This represents an increase in our child poverty rate from 2007. We now know of the wide range of negative impacts living in poverty has for children. Through the Adverse Childhood Experiences Study (ACES), we know that poverty is one of the factors that can create lifelong challenges, including medical and mental health difficulties. The legislature, in its wisdom, is attempting to create a state plan to reduce those factors. They have recognized that the impact of ACES reaches the entire state, in increased medical costs and decreased functioning of individuals. Adopting the proposed minimum wage increase could lift some of those children out of poverty and thus reduce at least one or more of those factors.

The benefits cliff is often raised as a reason not to increase the minimum wage. It is time to end the benefits cliff once and for all. As social workers, we know it traps people in poverty by holding out a menu of benefits needed for survival, yet subject to withdrawal at the first sign of economic progress. Individuals in Vermont are often faced with choosing between career and economic advancement and keeping the benefits that keep their families alive. The new salary cannot cover the benefits that will be lost- so often the choice is to refuse the advancement. How does that make sense? Who does that help? Individuals begin to feel hopeless about improving their economic status. An approach that allows for a gradual reduction of benefits- that actually encourages individuals to choose advancement is better approach for everyone. And one that will ultimately lead to a reduction in the benefits the state has to pay out, while supporting and rewarding families who work hard to raise their standard of living instead of punishing them. NASW VT asks this committee to include a recommendation to legislature to reexamine and eradicate the benefits cliff and replace it with something that is more consistent with Vermont values, something that encourages hard work and advancement and that recognizes that progress is incremental.

As social workers, we spend our professional lives attempting to create a better world, better circumstances, for our clients, our communities, our state and our country. Our code of ethics mandates that we do so. Vermont's values are consistent with ours. As Vermonters, we help our neighbors, we show up when other Vermonters need us and we do not turn our backs on the neediest among us.

