

HB 1341

Thank you Chairperson Lefor and Members of the Industry Business and Labor Committee.

I am Representative LaurieBeth Hager of District 21 in the Downtown and Central area of Fargo – between 12th Ave N NDSU and to 13th Ave S the street that goes to West Acres. My district includes 2 trailer parks, the Kennedy, Madison or Golden Ridge Neighborhood, the Historic Hawthorne Neighborhood, and almost 4000 people living in off campus apartments or in the downtown area.

I stand before you today to offer HB 1341, a bill to raise the state of North Dakota's minimum wage and provide a yearly increase in subsequent years. I am here today on behalf of the 1000s of workers in our state who are not earning adequate wages. HB 1341 provides a simple method for our legislature to update minimum wages for employees in our state. HB 1341 increases the state's minimum wage from \$7.25 to \$9 per hour and incorporates a yearly graduated increase. I believe this proposal is respectful to business owners and to their employees and is long overdue. The minimum wage was last increased at the federal level in 2009.

Currently ND employees earning the minimum wage are paid \$7. 25 per hour which is the Federal Minimum wage. This federal minimum wage was established in 2009—11 years ago. 11 years without even a cost of living increase. This legislation would resolve problems for individuals who earn minimum wage some of whom may need to rely on other systems for support.

The rationale for this bill is threefold:

First remaining competitive with adjacent states. Second providing ND residents employed in minimum wage jobs with adequate income to remain in ND.

Third determining ND minimum wage at the state level rather than basing it on federal standards of minimum wage.

Who earns minimum wage? Often it is entry level jobs but also it is jobs held by elderly who have returned to the workforce after retirement or due to economic factors such as loss of a spouse resulting decreased social security benefits.

First, raising the minimum wages to \$9 will enable ND to be competitive with our border or adjacent states. Montana, Minnesota and South Dakota have raised the minimum wage for hourly workers in their state. HB 1341 would make ND wages competitive and on par with these and other states across the nation.

In the USA, as of January 1, 2021

29 states have minimum wage above \$7.25

15 states have a minimum wage of \$10.00

I have provided a chart/map indicating the minimum wages across the USA

Focusing on the 3 states bordering ND, their residents earn minimum hourly wages of:

Minnesota \$10.08

South Dakota \$9.45

Montana \$8.75

If one were to average the minimum wage of MT, MN & SD it is \$9.40 per hour. In ND our minimum wage is \$7.25. The wage proposed \$9 per hour in this bill is just a bit lower than that average.

Second, what is the yearly income of a person earning minimum wage as compared to other wage levels?

I have provided a chart that shows various hourly wage levels converted to annual incomes at the top. At the bottom are the Federal Poverty Guidelines as used for the Federal Free and Reduced Lunch Program.

An employee working 40 hours per week at the \$7.25 minimum wage would earn \$ 15,080 per year. This is just slightly above the federal poverty level of \$12,490 for a single person. If that minimum wage earner is providing for a family of 4, his or her earnings are well below the poverty level of \$25,750.

By increasing our state's minimum wage \$9 per hour the employee would earn \$18,720 annually by working 40 hrs per week—still below the \$25,750 poverty level for a family of 4 and just above the poverty level for a 2 person family.

Furthermore The cost of living has obviously increased in the past 11 years while the \$7.25 federal/state minimum wages have NOT increased. This has created the situation that persons earning minimum wage can not provide or budget for even ordinary expenses: housing, food, healthcare, childcare, etc. Cost of Living or Inflation Increase since 2009 is 20.6% cumulatively.

The buying power calculation indicates that what \$7.25 could purchase in 2010 is now \$5.97 in 2020 \$5.97

The cost of Living or Inflation since 2009 is 20.5%

Another way of looking at buying power is \$1 in 2009 is \$1.21 now or \$10.00 then is 12.10 now

Third, increasing the minimum wage to \$9 may stimulate our ND economy while reducing poverty. Keeping workers in ND or at small businesses rather than national chain stores that have already raised minimum wages above the \$7.25 federal minimum wage -- Target and Walmart are two such examples.

Who earns minimum wage? Often it is entry level jobs but also it is jobs held by elderly who have returned to the workforce after retirement or receiving merely social security benefits.

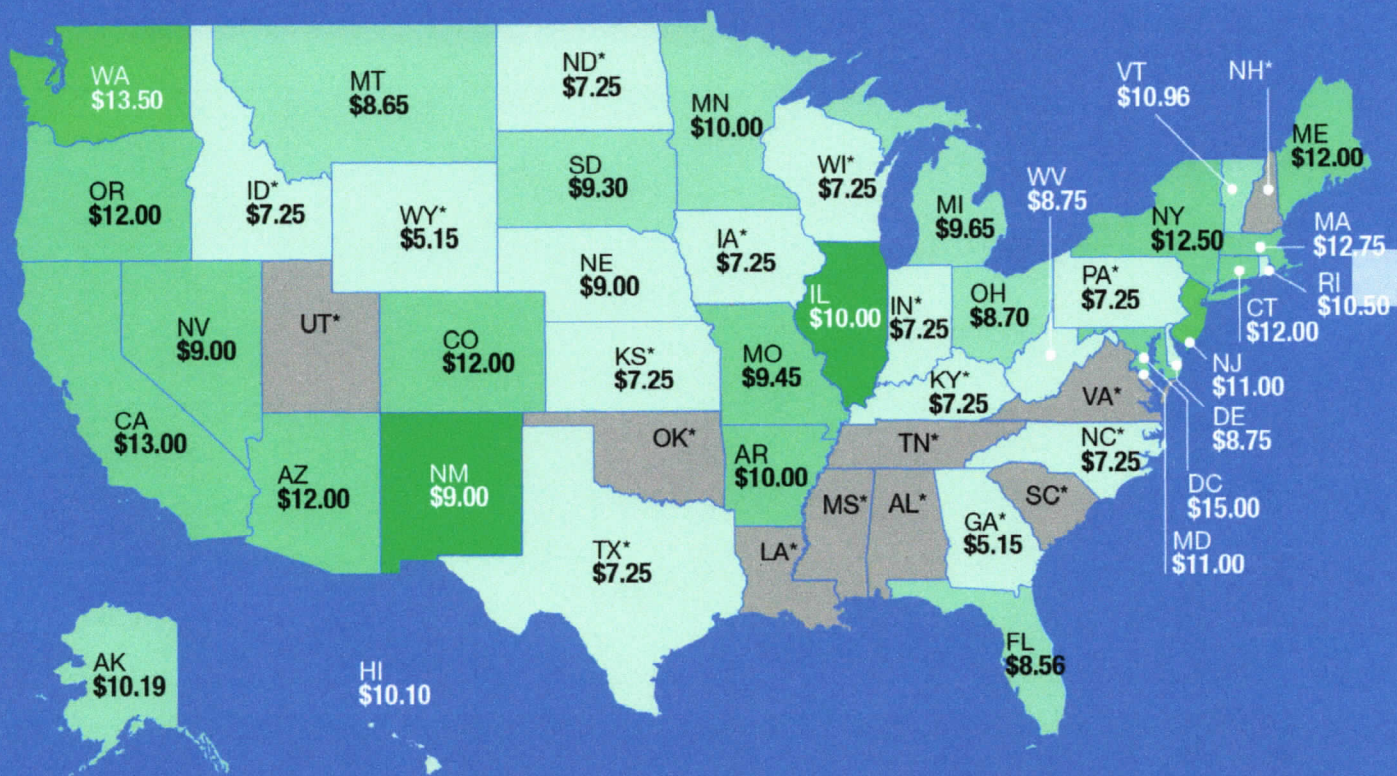
Finally, often local control is the philosophy or justification behind many of the bill concepts we hear in our legislature. Let's exert some state control and determine our state's minimum wage for the residents of North Dakota and a method that is respectful of business owners across the state. I believe that business owners in our state want to provide their workers with wages that will not keep their employees in economically disadvantaged or poverty conditions.

I stand before the IBL committee to answer questions.

U.S. MINIMUM WAGE INCREASES IN 2020

Largest percentage increases: Illinois (21.21%), New Mexico (20%), Washington state (12.5%), New Jersey (10%).

■ ABOVE 15%
 ■ 10%-15%
 ■ 5%-9.9%
 ■ BELOW 5%
 ■ NO CHANGE
 ■ NO STATE MINIMUM WAGE



SOURCE: U.S. DEPARTMENT OF LABOR, STATE LABOR DEPARTMENTS
 *FEDERAL MINIMUM WAGE IS \$7.25 DATA AS OF 12/13/19

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Hourly Wage Chart

Convert your hourly wage to a yearly salary based on the number of hours you work per week.

Hours per Week Hourly Rate	30	35	40	45	50	55	60	65	70
\$6/hr	\$9,360	\$10,920	\$12,480	\$14,040	\$15,600	\$17,160	\$18,720	\$20,280	\$21,840
\$7/hr	\$10,920	\$12,740	\$14,560	\$16,380	\$18,200	\$20,020	\$21,840	\$23,660	\$25,480
\$8/hr	\$12,480	\$14,560	\$16,640	\$18,720	\$20,800	\$22,880	\$24,960	\$27,040	\$29,120
\$9/hr	\$14,040	\$16,380	\$18,720	\$21,060	\$23,400	\$25,740	\$28,080	\$30,420	\$32,760
\$10/hr	\$15,600	\$18,200	\$20,800	\$23,400	\$26,000	\$28,600	\$31,200	\$33,800	\$36,400
\$11/hr	\$17,160	\$20,020	\$22,880	\$25,740	\$28,600	\$31,460	\$34,320	\$37,180	\$40,040
\$12/hr	\$18,720	\$21,840	\$24,960	\$28,080	\$31,200	\$34,320	\$37,440	\$40,560	\$43,680
\$13/hr	\$20,280	\$23,660	\$27,040	\$30,420	\$33,800	\$37,180	\$40,560	\$43,940	\$47,320
\$14/hr	\$21,840	\$25,480	\$29,120	\$32,760	\$36,400	\$40,040	\$43,680	\$47,320	\$50,960
\$15/hr	\$23,400	\$27,300	\$31,200	\$35,100	\$39,000	\$42,900	\$46,800	\$50,700	\$54,600

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INCOME ELIGIBILITY GUIDELINES

Effective from July 1, 2019 to June 30, 2020

HOUSEHOLD SIZE	FEDERAL POVERTY GUIDELINES	REDUCED PRICE MEALS - 185 %					FREE MEALS - 130 %				
	ANNUAL	ANNUAL	MONTHLY	TWICE PER MONTH	EVERY TWO WEEKS	WEEKLY	ANNUAL	MONTHLY	TWICE PER MONTH	EVERY TWO WEEKS	WEEKLY
48 CONTIGUOUS STATES, DISTRICT OF COLUMBIA, GUAM, AND TERRITORIES											
1	12,490	23,107	1,926	963	889	445	16,237	1,354	677	625	313
2	16,910	31,284	2,607	1,304	1,204	602	21,983	1,832	916	846	423
3	21,330	39,461	3,289	1,645	1,518	759	27,729	2,311	1,156	1,067	534
4	25,750	47,638	3,970	1,985	1,833	917	33,475	2,790	1,395	1,288	644
5	30,170	55,815	4,652	2,326	2,147	1,074	39,221	3,269	1,635	1,509	755
6	34,590	63,992	5,333	2,667	2,462	1,231	44,967	3,748	1,874	1,730	865
7	39,010	72,169	6,015	3,008	2,776	1,388	50,713	4,227	2,114	1,951	976
8	43,430	80,346	6,696	3,348	3,091	1,546	56,459	4,705	2,353	2,172	1,086
For each add'l family member, add	4,420	8,177	682	341	315	158	5,746	479	240	221	111

Poverty in North Dakota

What is the poverty rate in North Dakota?

The poverty rate in North Dakota is 11.0%. One out of every 9.1 residents of North Dakota lives in poverty.

How many people in North Dakota live in poverty?

79,374 of 719,722 residents reported income levels below the poverty line in the last year.

How does the Poverty Rate in North Dakota compare to the national average?

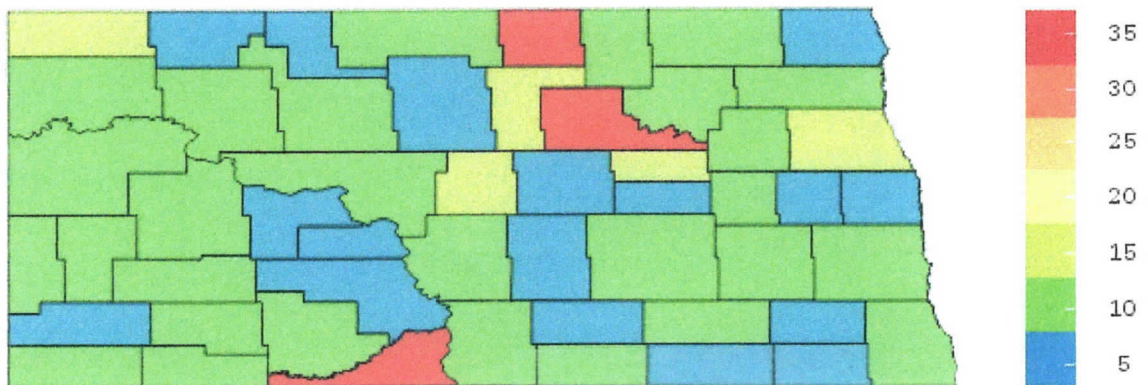
North Dakota ranks 9th in Poverty Rate at 11.0% ([poverty rankings by state](#)). The Poverty Rate of North Dakota is significantly lower than the national average of 14.6%.

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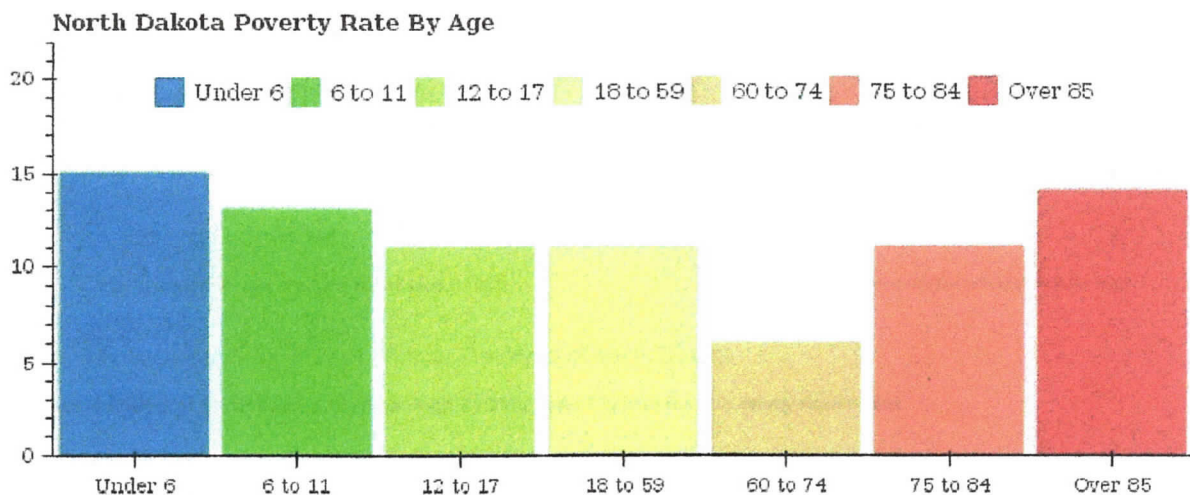
📍 North Dakota Poverty Rate County Map

North Dakota Percent of Population Below Poverty Rate By County



📍 North Dakota Poverty Rate By Age

What's the Poverty Rate in North Dakota By Age?



Breakdown of North Dakota Poverty Rate By Age

- **Children Under 6** in North Dakota have a Poverty Rate of **14.2%**.
- **Children 6 to 11 Years Old** in North Dakota have a Poverty Rate of **12.6%**.
- **Adolescents 12 to 17 Years Old** in North Dakota have a Poverty Rate of **10.1%**.
- **Adults 18 to 59 Years Old** in North Dakota have a Poverty Rate of **11.5%**.
- **Adults 60 to 74 Years Old** in North Dakota have a Poverty Rate of **6.6%**.
- **75 to 84 Years Old** in North Dakota have a Poverty Rate of **10.0%**.
- **Over 85 Years Old** in North Dakota have a Poverty Rate of **14.9%**.