



**Testimony:
Molly Rath
Vice President, Communications
Health Care for the Homeless**

Before the

Maryland House of Delegates: Economic Matters Committee

on

**HB 664: Labor and Employment – Payment of the Minimum Wage Required
(Fight for Fifteen)**

February 27, 2018
House Office Building, Room 230
Annapolis, Maryland

Thank you Mr. Chairman and members of the committee for your time.

My name is Molly Rath. I am the Vice President of Communications at Health Care for the Homeless, and I am here to urge your support for HB 664 and a \$15 minimum wage for all Marylanders.

As Maryland's leading nonprofit provider of integrated health services for individuals and families experiencing homelessness, we at Health Care for the Homeless know first-hand the value of a living wage for our clients, of course—and, just as importantly, for our staff. And that is the perspective I'd like to share with you today: Why we as employer believe a \$15 minimum wage is imperative for Maryland.

Sixteen years ago, a woman who worked the front desk at Health Care for the Homeless finally had had enough. She flagged for the agency's leadership the stark contradictions among our mission to end homelessness, our advocacy work around "livable incomes" and the wages earned by our lowest-paid staff members. "Do you have any idea how close my family is to experiencing homelessness?" she asked.

That simple question kicked off a yearlong debate within our organization that resulted in establishment of a wage floor indexed to the local cost of housing.

Many of our nonprofit peers at the time said it couldn't be done: "You'll have to lay off staff," they said. "You'll harm the very people you're trying to help." "You'll reach fewer people who need your help."

Here's what actually happened: We hired more staff and have since quadrupled in size. Morale improved, staff retention improved and staff took fewer hardship loans against their retirement accounts. And, most importantly, the number of people we've served has grown every year. Today, no one at Health Care for the Homeless earns less than \$17 an hour. No one employed here for more than a year earns less than \$17.37 an hour, the amount that the U.S. Department of Housing and Urban Development asserts was needed in 2017 to afford an efficiency apartment in Baltimore.

Snapshot:

- Positions that start at our current minimum wage floor of \$17/hr. include front desk/intake/checkout staff; peer recovery specialists and peer advocates; security guards, facilities staff and outreach workers. Current total: 31
- Our starting \$17/hr. rate tends to be higher than what staff in these roles earned at former employers and, combined with other benefits and opportunities to grow and develop here, is a draw for prospective employees
- Our turnover rate has been steady in recent years: on average, 12-13% across the agency
- While entry level positions such as these are traditionally where organizations see the bulk of their turnover, ours is pretty evenly distributed among higher and entry level positions.
- In 2016, we implemented an agency hardship loan program to prevent staff from borrowing against their retirement plans. We get about 20 hardship loan requests a year and we've seen fewer than 5 defaults due to turnover to date.

At our nonprofit agency of 275 employees, a livable minimum wage has been good for everyone. It has improved our bottom line; increased our growth; improved staff morale, quality and retention; and supported our mission.

To address poverty and homelessness in meaningful ways, we must address the range of structural inequities that drive poverty and homelessness. A \$15 minimum wage now marks a critical opportunity for this committee and our legislature as whole to move Maryland one big step closer to being a socially just community in which we all can live.