



Testimony of Sally Greenberg  
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Dear Chair Beidle and members of the Finance Committee,

I would like to thank you for letting me speak today. My name is Sally Greenberg and I serve as CEO of the National Consumers League, the nation’s oldest consumer and worker advocacy organization, founded in 1899.

I am here to urge the inclusion of ending the subminimum wage for tipped workers under SB 160. While the state minimum wage increased to \$15.00 on January 1, 2024, the subminimum wage for tipped workers has stayed at an abysmal \$3.63 since 2014.

The subminimum wage is an indefensible direct legacy of slavery. The restaurant industry sought to hire newly freed Black people but without wanting to pay them. This legacy continues in Maryland with a tipped workforce that is 65 percent women and 52 percent people of color.

We know the subminimum wage continues to perpetuate racism and sexism. When One Fair Wage researched Maryland tipped worker pay, they found that the wage gap between Black women and white men in ‘front-of-house’, tipped positions was \$6.19 per hour, which is a difference of almost \$13,000 a year for a full-time worker.

The restaurant industry is still not fully recovered from the pandemic. We know that in Maryland, almost 20,000 workers left the restaurant industry and haven’t returned. Too often restaurants that oppose better wages will claim that this is a result of a “worker shortage.” However, as organization One Fair Wage published in a recent report, the restaurant industry isn’t facing a worker shortage, it's a wage shortage.

Here in Maryland, we believe the industry needs to stop basing its business strategy on a wage 150-year-old system that is the direct legacy of slavery and join the modern working world. Already 7 states, Alaska, California, Minnesota, Montana, Nevada, Oregon, and Washington, pay the full minimum wage, with our neighbors in the District of Columbia joining the club with Initiative 82 several years ago. Our industry needs to modernize and pay at least the full minimum wage with tips on top.

States that pay tipped workers the full minimum wage with tips on top report higher restaurant sales, employment growth rates, and tipping averages than Maryland and the other states that still cling to the antiquated subminimum wage system. It is time to raise the wage and ensure Maryland's restaurant industry doesn't get left behind.

Tipped workers deserve to be paid at the very least, the full minimum wage with tips on top. It's time for SB 160 to move forward and become law.

Thank you again for taking the time to hear from me today.

Sincerely,

A handwritten signature in black ink, appearing to read "Sally Greenberg". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Sally Greenberg  
Chief Executive Officer  
National Consumers League