

Testimony to the House Committee on General, Housing and Military Affairs

Re: Raising the Minimum Wage to \$15/hr

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Good afternoon committee members. Thank you for your time and diligence in studying this matter, and for the opportunity to address you. I am speaking as a representative of the Vermont Chapter of the American Academy of Pediatrics.

I am speaking on behalf of 25% of the children of Vermont. They are a voiceless population, and their parents can't be here to talk with you, because they are each too busy working 50-60 hours a week just to make ends meet. These are the 25% of our children who live below 200% of the federal poverty line. Their families earn less than \$48,000 a year. How were things different when their parents were born? In 1980, the minimum wage in VT was \$3.25/hr. In 2018, it has risen by a factor of 3.26, which sounds good, but a two bedroom rental has risen by a factor of 4.6, tuition room and board at the college I attended is now 9.6 times more, and a doctor's visit is ten times more expensive. You know all of this. For over forty years, wages have lagged way behind the cost of basic family needs. So please tell me how relying on "market forces" to organically raise wages is going to take care of these children? Their families are relying more and more on subsidies and benefits, while they are falling farther and farther behind in our broken economy.

In my practice of pediatrics, I have had a birds-eye view of what it looks and feels like to be one of these children. Parents are gone for long hours. They pass the child back and forth like ships in the night, dropping them off with tired relatives, or unreliable friends. They don't play with their children. They are all too tired, or too stressed out, or just too depressed and discouraged to sit on the floor and play with the children. They don't see the new skills that children of all ages try out, so parents can't reinforce the good skills, and discourage the bad ones. Every time parents think they are getting it all balanced, something happens – the car breaks down, someone gets sick, the house where we they living gets sold out from under them. They are living on the edge, day in, day out, without hope. We

know what happens when people are living with toxic, persistent stress, without hope. They are vulnerable to depression. Depressed parents are unable to respond to their child's earliest signals of distress. Stressed-out parents lash out with violence toward each other, or they numb themselves with substances, or both. Let me talk neuroscience for a minute. It is now well established that infants and toddlers are making thousands of new neuronal connections each second. It takes the back and forth interplay of responsiveness with an adult to cement these connections and make them available for the future, to allow their brains to be supple and receptive. The chronic economic stress of poverty is growing another generation of children with very sparse brain architecture. When you ask yourselves why we have so many children needing Special Ed, with poor ability to attend and focus, poor behavioral and emotional regulation, poor executive skills – the answer lies in the sparse brain architecture that is a response to their early environment. And we are trying to prop this broken system up with band-aids, while the gangrene affects a new generation, causing cyclical poverty, cyclical substance abuse and incarceration, and cyclical abysmal mental health. This is a preventable disease.

This legislature is well educated on the effects of adverse childhood experiences. You know that you will spend more and more down the road, if you don't act in a preventative way to reduce the factors that make up the ACES questionnaire. Childhood poverty is one of the main drivers of toxic stress in childhood. The protection against toxic childhood stress is the stable, consistent presence of nurturing responsive adults. Think of it as the immunization to beat all immunizations, a livable wage that allows parents to be healthy, relaxed and responsive parents. 25% of our children are living in families where the adults make less than \$12/hr. A livable wage for a family of 2 adults and two children is \$20-\$22 hr/per adult. (Vt Dept of Labor) A \$15/hr minimum wage is still a reasonable step on the way to making a livable wage.

Will raising the minimum wage ameliorate the effects of childhood poverty? I refer you to the 2016 Policy Statement and report from the American Academy of Pediatrics, a copy of which I have attached to my testimony. The report references two studies. One, a 1999 analysis by the Brookings Institute, showing statistically significant increases in math and reading performance that were associated with only a \$1000 increase in family annual income. The other is

retrospective review of population data drawn from the Panel Study of Economic Dynamics and covering the years 1968 to 2005 which correlated the date of birth and family income during early childhood with eventual adult educational and economic attainment. The results suggest that an increase in annual family income of only \$3000 during early childhood may result in significant improvements on both SAT scores and adult labor market success measured by an earnings increase of almost 20%. The association is strongest at the low end of the family income scale and becomes statistically nonsignificant for wealthy families.

In summary, we have allowed an economic system to propagate in which we all consume goods and services that were produced by people who are being paid much less than it costs to support a family. These low income workers are subsidizing our buying habits. One-quarter of Vermont's children are paying the cost, missing out on their full potential to participate as healthy, productive, nurturing parents in the decades to come. Raising the minimum wage may cause prices to rise, and we may need to consume less. That would not necessarily be a bad thing. That would not throw a fatal wrench into our state economy. It would level the consumption field a little. Maybe some job hours would be lost, but maybe many of those lost hours would be the extra hours that workers are spending away from their families just to stay in the same place. That would rebound in favor of the children who get more of the parents' time. We need to front-end load this vicious cycle of childhood poverty with adequate parental income, or we will be paying the cost many times over for years to come in special education costs, mental health costs, substance use rehabilitation costs, medical care costs, and corrections costs. It is so much more cost efficient - not to mention humane, dignified, just, and loving – to reward labor with a wage that supports healthy life for our families.