

**Written Remarks from Carmen Ortiz Larsen, President of AQUAS Inc. and Chair of the Board of the Hispanic Chamber of Commerce, Montgomery County, MD
Submitted to the House Education & the Workforce Committee – Minority Panel
on the Business and Economic Case for Raising the Minimum Wage
April 27, 2016**

My name is Carmen Ortiz Larsen, and I support an increase in the Federal minimum wage to at least \$12 by 2020; I support the Raise the Wage Act. I am the owner and President of an Engineering and Information Technology firm called AQUAS Incorporated. I am also the Chair of the Board of the Hispanic Chamber of Commerce of Montgomery County, Maryland.

AQUAS Inc. staff includes professionals, administrative personnel, and field technicians. Our lowest wage is \$14 an hour. Our plan is to have the minimum wage in our workplace at \$16/hour within the next 18 months.

Being a small business owner is hard work. Small business owners have to be frugal, prudent, smart and alert to opportunities, navigating cash flow ups and downs, and managing cost increases and price competitiveness. Controlling costs is essential to ensure sufficient margins for funding growth, long-term success and customer satisfaction. If I don't control costs wisely, though, the dollars I save in one area of the business could cost me more in other areas.

Some years ago we sought to keep costs down by using the lowest legal minimum wage as compensation for clerical and field staff. We found that these workers had a greater incidence of health issues, absenteeism and turnover. The cost of replacing and retraining staff outweighed any savings in keeping their pay rate low.

We found that it was a smarter business policy to raise the hourly rate for the lower paid jobs. The results were better staff morale, increased loyalty and better service to the customer. We gained a more stable workforce and improved performance.

Markets are competitive, and every year costs go up. We have to face yearly increases in cost of insurance, supplies, advertising, facilities, services. We take this for granted as the cost of doing business. It should be no different to expect wage increases, especially for the lowest paid workers. **All employees deserve a wage that is sufficient to live without the anxiety of being left without food or shelter.**

AQUAS does not believe that the answer to cost management or competitive challenges lies in paying our staff poverty wages; this simply diminishes the quality and ongoing success of our enterprise. Instead, we remain competitive through efficiencies and quality improvements, through innovative ways to maintain reasonable profitability and improve the customer's experience. Our staff is part of who we are as a company, and they deserve to make ends meet.

We look to you as elected officials to set boundaries that cut across special interest areas, to make those tough decisions that create a delicate balance between an unrestrained commercial interest and a level playing field for businesses and acceptable conditions for individual sustainability. The current minimum wage adjusted for inflation is lower than it was in 1950. This is simply untenable and should be unacceptable in our country.

The current \$7.25 an hour does not provide minimum wage workers with a wage with which they can live with dignity, have a decent home, nutritious food, and a reliable way to get back and forth from work, without worrying about whether or not they will lose their job or their family if they can't. The minimum wage is so low that workers have to seek a second job or public assistance of one kind or another. I want to contribute to my community – not burden it by paying wages my employees can't live on. Raising the federal minimum wage is long overdue.

In my community engagement as a business owner and as the Chair of the Board of the Hispanic Chamber of Commerce, I see an awful lot of the consequences of poverty wages in the community; I see families that fall apart and struggle to stay healthy, with each adult working more than one job, and still having a hard time making ends meet. These people are our consumer base, they are our neighbors, they buy from us, they vote for you. I don't want my government supporting

policies like an inadequate minimum wage that promote poverty, weaken consumer demand, and ultimately hurt my business and other businesses. We have to set a reasonable wage floor.

I am here today to testify on behalf of a decent minimum wage that will reinforce employee productivity and ensure that when an employee goes home after work, they have the time, energy and enthusiasm to give to their families and community without fear, without anxiety and without hunger.

Thank you.