



RHODE ISLAND KIDS COUNT

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Testimony Re: House Bill 5595
House Labor Committee
March 30, 2017
Leanne Barrett, Senior Policy Analyst

Mr. Chairman and members of the Committee, thank you for the opportunity to provide testimony today. Rhode Island KIDS COUNT would like to voice its support for the proposals we are hearing today to increase the minimum wage.

We support the Governor's proposal which would increase the minimum wage from \$9.60 per hour to \$10.50 per hour, effective October 1, 2017 as well as House Bill 5057 which proposes the same increase but is effective July 1, 2017.

House Bill 5595 goes even farther by incrementally increasing the minimum wage from \$9.60 per hour to \$15.00 per hour by January 1, 2026 and then tying further increases to the cost of living. As of January 2017, 29 states and the District of Columbia had minimum wages that were higher than the federal wage, to account for higher costs of living, and most of these states (19 of 29) also index their minimum wage to inflation. We believe that Rhode Island should take this additional step and index its minimum wage to inflation to ensure that the state's minimum wage keeps pace with the cost of living.

At the current minimum wage of \$9.60 per hour, a parent who works 40 hours per week for all 52 weeks in the year with no time off would earn \$19,968 per year, slightly below the poverty level for a family of three which is \$20,420 in 2017 and far below the poverty level for a family of four which is \$24,600.

$$\mathbf{\$9.60 \times 40 \text{ hours} \times 52 \text{ weeks} = \$19,968}$$

Families with incomes this low cannot meet their basic needs, such as rent, food, clothing, health care, and child care and cannot provide their children with the opportunities they need to thrive and succeed.

As an example of the gap between the current minimum wage and the cost of living, in 2016, a worker would have to earn \$24.77 per hour and work 40 hours a week year-round to be able to afford the average rent for a two-bedroom apartment in Rhode Island without a cost burden. **This hourly wage is more than two and a half times the current minimum wage of \$9.60 per hour.**

The proposed increase would bring Rhode Island's minimum wage in line with the neighboring states of Connecticut and Massachusetts. Together with an increase in the state's Earned Income Tax Credit (EITC), which we also support, an increase in the minimum wage can help hardworking families meet their basic needs and put more money into the local economy.

Thank you for the leadership the General Assembly has shown in the past and in this session in considering and passing legislation that helps working families make ends meet now and helps them build their economic stability for the future. And thank you for the opportunity to testify today.