



RHODE ISLAND KIDS COUNT
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Testimony Re: Senate Bills 2244 and 2247
Senate Labor Committee
March 14, 2018
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Mr. Chairman and members of the Committee, thank you for the opportunity to provide testimony today. In 2017, the General Assembly approved an incremental increase in the minimum wage over two years from \$9.60 per hour to \$10.10 per hour, effective January 1, 2018 and to \$10.50 per hour, effective January 1, 2019. Rhode Island KIDS COUNT would like to voice its support for two bills (Senate Bills 2244 and 2247) we are hearing today that would continue this momentum.

Senate Bill 2247 would increase the minimum wage to \$11.00 per hour, effective January 1, 2019 and then increase it to \$12.00 per hour effective January 1, 2020.

Senate Bill 2244 includes the same two initial step increases as Senate Bill 2247 but continues to increase the minimum wage annually until it reaches \$15.00 per hour on January 1, 2023 and then proposes to index the minimum wage to the cost of living from that year forward.

As of January 2018, 30 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 (18 of 30) 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 \$10.10 per hour, a parent who works 40 hours per week for all 52 weeks in the year with no time off would earn \$21,008 per year, slightly above the poverty level for a family of three which is \$20,780 in 2018 and far below the poverty level for a family of four which is \$25,100.

$$\mathbf{\$10.10 \times 40 \text{ hours} \times 52 \text{ weeks} = \$21,008}$$

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 2017, the average rent for a two-bedroom apartment, including utilities, in Rhode Island was \$1,385 per month. A worker would have to earn \$26.63 per hour and work 40 hours a week year-round to be able to afford this rent without a cost burden. **This hourly wage is more than two and a half times the current minimum wage of \$10.10.**

Senate Bills 2244 and 2247 would bring Rhode Island's minimum wage in line with Massachusetts' minimum wage of \$11.00 per hour by January 1, 2019. 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.