



Testimony Re: H-7771 Re: Minimum Wages

House Committee on Labor

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Rhode Island KIDS COUNT supports Rep. Sanchez's bill, H-7771, that would increase the minimum wage from \$16 to 24/hour effective January 1 of 2027.

Higher minimum wages promote greater economic security for families with children, contribute to healthier birth outcomes, and can reduce racial disparities in poverty. Improved economic security improves children's health development, and learning. In 2023 in the U.S., 92% of families with children had at least one employed parent. More than two-thirds of two parent families with children have both parents employed.

When increasing the minimum wage, it is **important to increase state funding and payment rates** to ensure education, health, and human service programs that have a workforce paid close to minimum wage (including *child care, group homes, home health care, nursing homes, etc.*) have enough funding to increase wages so they can attract and retain staff.

It is also **important to adjust public benefit programs that focus on serving low-income families** to ensure eligibility levels are set so that families who need help can continue to qualify when wages are increased. *For example, a two-parent family with one child where both parents are working full time and are paid the current minimum wage \$16/hour currently earns \$66,560/year and qualifies for the Child Care Assistance Program which has a limit of \$71,305 for a family of three. At \$24/hour this family would earn \$99,840/year and would not qualify for the Child Care Assistance Program's eligibility levels.* Yet, they could not afford the cost of market rate child care tuition for one infant in a licensed center

The state should **expand public funding to ensure much needed minimum wage increases for low-paid caregivers do not place an undue burden on families struggling to pay for essential services.** A non-profit child care program in Providence recently told me they had to raise tuition by 10% in order to cover the cost of recent minimum wage increases.

Thank you for the leadership of the General Assembly to help working families make ends meet and improve the economic security of children.