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Testimony Re: Budget Article 20
House Finance Committee
February 7, 2017
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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 strong support for Article 20 which would increase the minimum wage from \$9.60 per hour to \$10.50 per hour, effective October 1, 2017.

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.

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

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.

Children living in poverty are less likely to be enrolled in preschool, more likely to attend schools that lack resources and rigor, and have fewer opportunities to participate in extracurricular activities. They also experience a range of negative outcomes. They are more likely to have physical and behavioral health problems, experience difficulty in school, become teen parents, and earn less or be unemployed as adults.

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.