



Testimony Re: Article 13 Relating to Minimum Wages
Senate Finance Committee
February 7, 2019
Stephanie Geller, Deputy Director

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 Article 13 that would continue this momentum by increasing the minimum wage to \$11.10 per hour, effective January 1, 2020.

At the current minimum wage of \$10.50 per hour, a parent who works 40 hours per week for all 52 weeks in the year with no time off would earn \$21,840 per year, slightly above the poverty level for a family of three which is \$21,330 in 2019 and far below the poverty level for a family of four which is \$25,750.

$$\mathbf{\$10.50 \times 40 \text{ hours} \times 52 \text{ weeks} = \$21,840}$$

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. As an example of the gap between the current minimum wage and the cost of living, in 2018, the average rent for a two-bedroom apartment, including utilities, in Rhode Island was \$1,621 per month. A worker would have to earn more than \$30 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 almost three times the current minimum wage of \$10.50.**

Article 13 would bring Rhode Island's minimum wage closer to Massachusetts' minimum wage. The minimum wage in Massachusetts is \$12.00 per hour and will increase by 75 cents each year until it reaches \$15.00 per hour in 2023. 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.

As of January 2019, 29 states and the District of Columbia have minimum wages that were higher than the federal wage, to account for higher costs of living, and many of these states also index their minimum wage to inflation or are working toward a goal of a \$15 per hour minimum wage.

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.