



Public Testimony  
House Finance Committee  
Re: Increasing the Minimum Wage  
Governor's Budget, Article 20  
February 7, 2017

Submitted by The Rhode Island Interfaith Coalition to Reduce Poverty

Contact: Emily Jones, Interfaith Coordinator  
[RIinterfaithcoalition@gmail.com](mailto:RIinterfaithcoalition@gmail.com)  
401-421-4111, ext. 161

Good afternoon. My name is Emily Jones. I'm speaking on behalf of the Rhode Island Interfaith Coalition to Reduce Poverty, a coalition of diverse religious communities and advocacy partners throughout the state who have come together to fight poverty.

I am testifying today to voice our organization's strong support for an increase to the state's minimum wage.

Specifically, to the point of today's legislation, **we support the Governor's budget proposal to increase the minimum wage to \$10.50, effective October 1, 2017.**

In fact, we believe that this step, while necessary to move us forward, takes us only part-way towards the ultimate goal of ensuring an adequate, living wage for every Rhode Islander. We hope that this body **will encourage even more forward motion in the future, on a speedier timeline, considering today's proposal a floor – not a ceiling – for what is both possible and needed** from the General Assembly this session. If we are to fully support the well-being of families living in poverty and at its edge here in our state, we need to move the minimum wage significantly, and we need to do so as quickly as possible.

Our current minimum wage, \$9.60/hour, **falls far short of the earnings needed to support yourself and your family in our state.** With both parents working forty hours/week, cost-of-living estimates for a two-child family in Rhode Island suggest that at least \$16.37/hour is needed.<sup>1</sup> When we focus more specifically on the outsized cost of rental housing in the state and single-earner families, the problem is even more immense. For an individual **to sustainably afford the average rent for a RI 2-bedroom unit, RI's minimum wage would need to nearly triple.** A minimum

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<sup>1</sup> Economic Progress Institute, The 2016 Rhode Island Standard of Need, [http://economicprogressri.org/wp-content/uploads/2016/12/2016RISNvFinal\\_digital.pdf](http://economicprogressri.org/wp-content/uploads/2016/12/2016RISNvFinal_digital.pdf)

wage-earner can sustainably afford \$432/month (30% of income), but the average 2-bedroom rents for \$1,238/month.<sup>2</sup>

An increase to our minimum wage would align us more appropriately with our region. **Our minimum wage currently falls far below the standards of our neighboring states:** Connecticut's minimum wage is currently \$10.10/hour and Massachusetts' minimum wage now stands at \$11.00/hour.

There has been some anxiety expressed in regards to increasing the minimum wage. Will an increase to the minimum wage negatively impact job creation in our state, harming those it is meant to help? In fact, the answer seems to be no. Analysis conducted by the National Employment Law Project found that the “bulk of rigorous researching examining hundreds of case studies of minimum wage increases at the state and local levels finds that *raising the minimum wage boosts incomes for low-paid workers without reducing overall employment or job growth* to any significant degree.”<sup>3</sup> A joint statement issued in 2014 by over 600 economists similarly notes: “In recent years there have been important developments in the academic literature on the effect of increases in the minimum wage on employment, with the weight of evidence now showing that increases in the minimum wage have had little or no negative effect on the employment of minimum-wage workers, even during times of weakness in the labor market.”<sup>4</sup>

Thank you to the Governor for her thoughtful submission of this Budget Article and thank you to the House Finance Committee for your time considering this important matter and for your public service to Rhode Island.

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<sup>2</sup> HousingWorksRI, 2016 Housing Fact Book, <http://housingworksri.org/sites/default/files/FACT%20BOOK%20LR.pdf>

<sup>3</sup> The National Employment Law Project, “Employment and Business Effects of Minimum Wage Increases,” September 2015, <http://www.nelp.org/content/uploads/Minimum-Wage-Basics-Business-Effects.pdf>

<sup>4</sup> “Over 600 Economists Sign Letter in Support of \$10.10 Minimum Wage: Economic Statement on the Federal Minimum Wage,” Jointly submitted, January 2015, available at <http://www.epi.org/minimum-wage-statement/>