

February 18, 2021

The Honorable Anastasia Williams
RI House Labor Committee
82 Smith Street
Providence, RI 02903

Re: House Bill 5130


Dear Chairwoman Williams:


On behalf of the RI Hospitality Association, I write to discuss the impact House Bill 5130 will have on the hospitality industry in Rhode Island. We have significant concerns about the proposals to increase the minimum wage during a time in which in the industry is struggling.

As the COVID-19 pandemic approaches one year in the United States, the outlook for restaurants, hotels and tourism businesses remains bleak. While the industry is optimistic about the vaccine rollout and the recent federal stimulus package, operators will continue to face fundamental challenges over the short, medium, and long-term horizons.

The most recent statistics for the restaurant industry paint a stark picture:

- According to the Bureau of Labor Statistics, the Hospitality and Leisure Industry has lost as many jobs as construction, government, manufacturing, retail, education, and health services – combined.
- 96% of Rhode Island restaurant operators have been forced to lay off employees and 85% of operators have said that their businesses will not be profitable in the next six months.
- 110,000 restaurants (17% nationwide) have closed permanently or long-term since the start of the pandemic. Many of these restaurants were cornerstones in their communities and had operated an average of 16 years.
- The restaurant industry has lost 2.5 million jobs during the pandemic. Based upon the most recent Bureau of Labor Statistics data, 42 states lost additional restaurant jobs in December and 46 states have fewer restaurant jobs now than before the pandemic.
- The foodservice industry lost \$240 billion in sales in 2020. The most recent sales data from December indicates that the industry has now entered a double dip recession.

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We ask that any wage increases be gradual, predictable, and phased in to give our industry time to budget and prepare. This includes ensuring that any changes start on January 1 instead of mid-year.


The industry looks forward to continuing to work with you on solutions that help the hospitality industry make it through this unprecedented crisis.


If you have any questions, please do not hesitate to contact me at sarah@rihospitality.org or 401-223-1120.

Sincerely,

Sarah Bratko, Esq.
VP of Advocacy/General Counsel

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