



Honorable Anastasia P. Williams
Chair, House Labor Committee
Rhode Island State House
Providence, RI 02903

February 24, 2021

RE: Testimony on HB 5130 – AN ACT RELATING TO LABOR AND LABOR RELATIONS –
MINIMUM WAGES

Dear Chair Williams and Committee Members,

The Rhode Island Lumber and Building Materials Dealers Association (RILBMDA) opposes House Bill 5130, which would increase the minimum wage to \$15 per hour by October 1, 2024.

Our members pride themselves on providing benefits and flexibility, including paid time off, health insurance, and retirement programs. They do not provide these benefits because of a mandate, but to recruit and retain quality employees. As the state continues to increase the minimum wage, it makes it harder and more expensive to do business in the state. This bill will force our members to make difficult decisions on hiring and future benefits for their employees.

RILBMDA members pay above the current minimum wage to attract more qualified and hardworking employees. A minimum wage increase would turn many of our members' employees into minimum wage earners or create a wage compression issue where employees expect to be paid more because the minimum wage increased. Small businesses cannot absorb these added costs, especially as they continue to work through the financial hardships created by the COVID-19 pandemic.

A wage increase forces small businesses to increase their prices and/or reduce employee benefits. The cost of construction is already on the rise, further increasing the cost of building materials to offset rising labor costs would be even more detrimental to the industry. The proposed increase will provide little, actual gain for workers. It will lead to less purchasing power, as the increased costs of goods and reduction in benefits would offset any wage gains.

Small businesses will be squeezed even more than they already are, which will severely restrict their ability to expand and grow. Without growth, the local and state economy will suffer. Creating another obstacle for small businesses to thrive will only perpetuate a negative business environment in Rhode Island.

With these concerns in mind, we respectfully urge the Committee to oppose this bill.

Sincerely,

Terrance Martiesian
RILBMDA Lobbyist



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