necsema
New England Convenience Store & Energy Marketers Association

February 24, 2021

Testimony of Brian Moran
Director of Government Affairs, New England Convenience Store & Energy Marketers Association

Rhode Island General Assembly
House Labor Committee

RE: HB 5130 – *An Act relating to labor and labor relations – minimum wages*

Dear Chairwoman Williams, First Vice Chair Messier, Second Vice Chair Alzate, and Members of the Committee:

The New England Convenience Store & Energy Marketers Association (NECSEMA) represents Rhode Island's nearly 500 convenience stores that employ approximately 7,200 people.

As proposed, HB 5130 would require employers to increase hourly employee pay from its current rate of $11.50 to $12.25 on October 2021, to $13.00 on October 2022, to $14.00 on October 2023, and to $15.00 on October 2024.

NECSEMA is opposed HB 5130. When state government tells small business owners that they must raise wages, the business owner has few choices. He or she can either pass on these increased costs through higher prices on the goods and services they provide, reduce working hours, or cutback on the number of employees. The bottom line is that small business owners must find the resources to offset these wage increases, as well as offset the hidden costs resultant from raising the minimum wage including increased employer contributions to workers compensation, unemployment insurance costs, and increased social security and Medicare taxes.

To set in motion, these increases without added incentives for employers is ill-timed as we recover from the ruin caused by the pandemic. The timing of this approach is especially problematic, even tone deaf, due to the closing of many retail businesses, and those that remain operating are struggling due to the financial ruin and wreckage caused by the pandemic. Fortunately, widespread vaccination is expected to be largely complete by this summer and fall, and with it a much welcome return to in person socialization, and the economic benefits that will come from it. This is not the time to be considering these wage increases even if it were for a one-year interval, let alone four consecutive annual increases.

Thank you for your thoughtful consideration of our positions on this matter.

Respectfully submitted,

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