

Rhode Island Franchisee Association, Inc.

40 Jordan St., East Providence, RI 02914

February 24, 2021

Chairwoman Anastasia Williams
House Committee on Labor
State House – Room 203
Providence, RI 02903

Re: H-5130 – An Act Relating to Labor and Labor Relations – Minimum Wages

Dear Chairwoman Williams:

Please accept this letter respectfully opposing H-5130, legislation which would increase the minimum wage to \$15.00 per hour by October 1, 2024.

Our organization is comprised of small business owners who have been dealing with the COVID-19 pandemic for nearly a year. Operating our businesses and ensuring our valued employees and customers remain healthy and safe in this environment has presented new challenges and increased costs which we will continue to confront for the foreseeable future. Indeed, some of our members closed locations in 2020 as a result of the pandemic's impact.

We appreciate the desire to increase wages for our state's workforce. However, the economic impact of the pandemic continues virtually unabated and significant increases in the minimum wage at this time would hurt our state's small business community. As the Committee is aware, raising the minimum wage increases other expenses which are tied to payroll, including unemployment insurance, workers compensation insurance, and FICA. The combined impact of these labor cost increases could force businesses to either close or curtail their hours of operation – a bad outcome for employees, consumers, and small business owners alike.

Our businesses continue to face significant economic headwinds. We respectfully ask you to keep these challenging circumstances at the front of mind as you consider this and other legislation this year. Thank you for your consideration of our organization's position.

Sincerely,

/s/

Guido Petrosinelli
Chairman, Rhode Island Franchisee Association