

Testimony in Support of HB7579  
An Act Relating to Labor and Labor Relations -- Minimum Wage  
Increase  
House Committee on Labor  
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**The Economic Progress Institute strongly supports Representative Morales' HB7579,** which would increase the state minimum wage by \$1.25 per year from 2026 through 2029 when it would reach \$20 per hour, and then would provide for subsequent annual cost-of-living adjustments based on the Consumer Price Index.

Rhode Islanders value hard work and fairness, and we deserve to earn a living wage. Unfortunately, too many hardworking Rhode Islanders with full-time employment cannot afford to meet their basic needs. The minimum wage in RI is currently \$14.00/hour, yet EPI's report, the 2022 Rhode Island Standard of Need (RISN)<sup>1</sup>, shows that a single adult working full-time needs to earn \$16.79 per hour to cover their basic needs. The gap between the current minimum wage and the actual living wage explains why so many Rhode Islanders are struggling to meet their basic needs: 70% of single parents with two children cannot meet their basic needs, and 61% of single adults cannot meet their basic needs. When you break down these numbers by race, ethnicity, and gender, the percentages are worse (even for two-parent households). Even these numbers are arguably a conservative estimate; a study from the Massachusetts Institute of Technology found that a living wage in Rhode Island is \$24.24/hour (up from \$17.80/hour in 2022) per hour for a single person and \$42.87/hour (up from \$34.45/hour in 2022) for a single person with a child.<sup>2</sup>

Although the General Assembly has laudably taken steps to increase the minimum wage in Rhode Island in recent years, unfortunately, these increases were insufficient to keep pace with the rising cost of food and rent. In 2023, Providence experienced the highest rent increase of any city in the nation. Rhode Islanders working full-time should be able to meet their basic needs. Increasing the minimum wage directly helps working people afford housing, food, healthcare, and other basic necessities. Increasing the minimum wage would also improve the economy and equity in the state, because women and people of color tend to disproportionately work in minimum wage essential jobs, such as childcare, elder care, and retail. Rhode Island has been experiencing what has been described as workforce crises in areas of child care and elder care, but these crises can more aptly be called a workforce exodus; childcare and eldercare employees are choosing to leave these fields because these essential jobs do not pay

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<sup>1</sup> [RISN-2022-Report-FINAL-for-website.pdf \(nyc3.cdn.digitaloceanspaces.com\)](https://nyc3.cdn.digitaloceanspaces.com/RISN-2022-Report-FINAL-for-website.pdf) page 10.

<sup>2</sup> [Living Wage Calculator - Living Wage Calculation for Rhode Island \(mit.edu\)](https://livingwage.mit.edu/living-wage-calculator)

enough for these essential workers to take care of themselves or their families. Without these workers, our economy cannot function.

We need a minimum wage that enables all Rhode Islanders to have an opportunity to thrive. Establishing a \$20 minimum wage by 2029 will help ensure that Rhode Islanders are able to provide for themselves. By attaching the minimum wage to the Consumer Price Index (CPI), neither Rhode Island workers nor members of the General Assembly will have to worry about future wage stagnation and exploitation. The Economic Progress Institute urges passage.