



**Testimony Re: H-5029 Re: Minimum Wages**

**House Committee on Labor**

**March 5, 2025**

**Leanne Barrett, Director of Early Childhood Policy & Strategy**

Rhode Island KIDS COUNT supports Rep. Bennett's bill, H-5029, that would incrementally increase the minimum wage from \$15.00/hour to \$20.00/hour through \$1.00 increases effective January 1 of each year starting by raising the state minimum wage to \$16.000/hour in 2026.

**Higher minimum wages promote greater economic security for families with children, contribute to healthier birth outcomes, and can reduce racial disparities in poverty.** Improved economic security improves children's health development, and learning. In 2023 in the U.S., 92% of families with children had at least one employed parent. More than two-thirds of two parent families with children have both parents employed.

When increasing the minimum wage, it is **important to adjust state contracts and payment rates** to ensure education, health, and human service programs that have a workforce paid close to minimum wage (including child care, group homes, home health care, nursing homes, etc.) have enough funding to increase wages so they can attract and retain staff.

It is also **important to adjust public benefit programs that focus on serving low-income families** to ensure eligibility levels are set so that families who need help can continue to qualify when wages are increased. For example, a two-parent family with one child where both parents are working full time and are paid the current minimum wage \$15/hour currently earns \$62,400/year and qualifies for the Child Care Assistance Program which has a limit of \$69,557 for a family of three. At \$20/hour this family would earn \$83,200/year and would not qualify without adjustments to the Child Care Assistance Program's eligibility levels. Yet, they could not afford the median cost of child care for one infant in a licensed center. However, a single parent with one child would make \$41,600 at \$20/hour and would still qualify for the Child Care Assistance program at existing eligibility levels.

Thank you for the leadership of the General Assembly to help working families make ends meet and improve the economic security of children.