



1800 Mineral Spring Ave
Suite 271
North Providence, RI 02904
877-262-7662
NFIB.com

Testimony of

Christopher Carlozzi, State Director, National Federation of Independent Business
In Opposition to House Bill Nos. 7769, 7770, and 7771
Relating to Labor and Labor Relations - Minimum Wage
Before the House Committee on Labor
March 18, 2026

Chairman Corvese and Members of the House Committee on Labor:

My name is Christopher Carlozzi. I am the Rhode Island Director of the National Federation of Independent Business (NFIB). A non-profit, non-partisan organization, NFIB is the nation's and Rhode Island's largest small business advocacy group. In Rhode Island, NFIB represents hundreds of small and independent business owners involved in all types of industry, including manufacturing, retail, wholesale, service, and agriculture. The average NFIB member has five employees and annual gross revenues of about \$450,000. In short, NFIB represents the small Main Street business owners from across the state. On behalf of those small and independent business employers in Rhode Island, I urge you to oppose House Bill Nos. 7769, 7770, and 7771, relating to the state minimum wage.

The NFIB Research Foundation's [February 2026 Small Business Optimism Index](#) found that thirty-four percent of surveyed business owners raised compensation. That same report shows that twenty-four percent of owners plan to raise their prices. Now factor in the additional costs associated with a minimum wage increase and it becomes even more expensive to operate a business in Rhode Island. Those higher costs cannot be absorbed by employers, so the added labor expenses will be passed along to Rhode Island residents making the state less affordable.

In May 2023, NFIB released an economic study ("**Economic Impacts of a Proposed Minimum Wage Increase in Massachusetts**") conducted by Amherst-based Regional Economic Models, Inc. (REMI) to determine the economic impact of legislation seeking to raise the state minimum wage in Massachusetts to \$20 per hour. The study found that if the proposed Massachusetts bills became law, approximately 23,000 jobs would be lost over the next decade, representing more than 0.5% of the state's employment base. Almost 14,000, or 57%, of job losses would be suffered by small businesses with nearly 22.5% coming at the expense of firms with less than 20 employees. The cumulative real economic output loss, resulting from the proposed minimum wage hike in Massachusetts, by 2033 would exceed \$3.4 billion. Nearly \$1.8 billion, or 52%, of that lost economic output would have been produced by small businesses.

A similar REMI report was conducted in 2026 for a \$25 minimum wage proposal in Maryland. The study found approximately 84,000 jobs would be lost over the next decade with 21,000 of those jobs lost in the construction, retail, and wholesale industries. They also project \$15 billion lost in economic input by 2035.

Many small businesses will be unable to afford these higher wages and the payroll taxes that accompany them, and there will also be immense pressure on labor costs up the pay scale. The impact will likely be more devastating for Rhode Island, especially as House Bill No. 7771 raises the wage to a whopping \$24 per hour.

Even House Bill No. 7770, that sets the minimum wage to inflation, would mean annual wage increases that will always go up. That means even in years of economic downturns, the wage will continue to rise unchecked with the legislation reading: *but in no event shall the minimum wage decrease to reflect any 18 decrease in the CPI-U*. This could prove devastating for the small business economy.

Small businesses have the most difficulty adjusting to the cost impact of minimum wage hikes. They often own a single shop or restaurant and cannot spread higher labor costs across multiple, lower cost states like the big box stores and chain restaurants. Rhode Island employers are still adjusting to the most recent tiered increase to \$16 per hour from just a few short months ago on January 1, 2026, and awaiting another wage hike to \$17 in 2027. Rhode Island has not yet witnessed the economic impact of the recent wage hikes and yet House Bill No. 7771 seeks to set the wage at a staggering \$24 per hour. That would make Rhode Island one of the highest minimum wages in the nation, including higher than Massachusetts that is still set at \$15 per hour. Although many employers are currently paying more than the state minimum wage, setting the base wage at \$20 (House Bill No. 7769) or \$24 (House Bill No. 7771) will further drive-up operating costs resulting in higher prices for Rhode Island consumers.

Even before the pandemic, studies demonstrate higher minimum wages eliminate entry level positions, making it especially difficult for young people and those lacking work experience to enter the workforce. A 2018 report on the decreasing number of teens in the workforce by George Washington University's Mercatus Center, shows higher minimum wages significantly contribute to higher teen unemployment. The research determined higher minimum wages meant fewer job opportunities for young and inexperienced workers. Rhode Island desperately needs a fully effective teen/training wage to encourage youth employment as the minimum wage rises and prices younger and inexperienced workers from the workforce.

Additionally, Rhode Island is currently the **ONLY** state left in the nation demanding time-and-a-half pay for retail workers on Sundays and holidays since Massachusetts fully phased out this remnant blue law on January 1, 2023. If a \$20 minimum wage is passed, Rhode Island will be a major outlier, requiring businesses to pay \$30.00 per hour on Sundays and holidays, and an out of control \$36 under House Bill No. 7771. The unintended consequences of this policy may lead to small employers not opening on Sundays, while their big box competitors remain operating. When a consumer discovers a Main Street business' doors are closed on Sundays, and opts to instead frequent a large chain store, it becomes increasingly difficult for that small business to regain that customer. It will lead to fewer hours being available for workers as many small businesses opt to keep their doors closed on those days.

I strongly urge this Committee to oppose House Bill Nos. 7769, 7770, and 7771, which will further drive up the cost of operating a small business in Rhode Island small businesses. Thank you.