



March 18, 2026

Honorable Arthur J. Corvese
Chairman, House Labor Committee
Rhode Island State House
82 Smith Street
Providence, RI 02903

RE: Oppose - H7769, H7770, and H7771

Dear Chairman Corvese and Honorable Members of the Committee:

As the Executive Director of Rhode Island Business Leaders Alliance (the “Alliance”), I am grateful for the opportunity to provide the House Labor Committee with this written testimony in response to the following bills:

- H7769: Would set the minimum wage at twenty dollars (\$20.00) per hour commencing on January 1, 2027.
- H7770: Would increase the minimum wage commencing January 1, 2029 by an amount equal to the total percentage increase in the Consumer Price Index for all Urban Consumers (CPI-U) for the Northeast Region for the calendar year 2027.
- H7771: Would set the minimum wage at twenty-four dollars (\$24.00) per hour commencing January 1, 2027.

While the Alliance strongly supports policies that promote economic opportunity and a healthy workforce, the dramatic and automatic minimum wage increases contemplated in these bills would impose significant and lasting harm on Rhode Island employers—particularly small and mid-sized businesses—at a time when they are already under extraordinary financial strain.

Taken together, these proposals represent an unprecedented escalation in labor costs over a very short period of time—one that does not reflect current economic realities faced by Rhode Island employers.

Businesses across the state are already grappling with persistent inflation, volatile energy costs, and significant uncertainty in global supply chains. Ongoing overseas conflicts, shifting trade policies, and the reemergence of tariffs have increased the price of raw materials, transportation, and energy. These pressures cannot simply be absorbed indefinitely, especially by small employers operating on thin margins.

For many Rhode Island businesses—particularly local retailers, restaurants, manufacturers, healthcare providers, and nonprofits—labor is the single largest operating expense. Mandating wage levels of \$20 and \$24 per hour within the next few years will force difficult and unavoidable choices. Employers may need to reduce hiring, cut employee hours, delay expansion plans, automate jobs, or raise prices in ways that ultimately harm consumers and reduce competitiveness.

Small businesses, in particular, lack the scale, pricing power, and capital reserves to quickly absorb such sweeping labor cost increases. Unlike multi-national corporations, they cannot spread costs across multiple markets or rely on shareholders to offset losses. These bills risk accelerating small business closures, discouraging new business formation, and pushing employers to relocate or expand outside of Rhode Island.

H7770 is of particular concern, as it automatically ties future minimum wage increases to inflation. While predictability is important, an automatic escalator removes the ability of policymakers to consider broader economic conditions, regional competitiveness, workforce impacts, and unintended consequences. Economic downturns, recessions, or industry-specific shocks cannot be addressed if wage increases are locked in without legislative review.

As the members of this Committee are aware, Rhode Island already struggles with high costs of doing business, including some of the highest energy prices and tax burdens in the nation and the New England region. These bills would further widen the gap between Rhode Island and neighboring states, making it more difficult to attract and retain employers and investment. A less competitive business environment ultimately limits job creation and constrains wage growth over the long term.

We believe there are more balanced and sustainable ways to support workers, such as targeted tax relief, workforce development, job training, and policies that promote economic growth and productivity. Strong wages depend on strong employers, and policies that undermine business sustainability risk hurting the very workers they seek to help.

For these reasons, the Rhode Island Business Leaders Alliance respectfully urges the Committee to reject H7769, H7770, and H7771. We welcome the opportunity to work with policymakers on

pragmatic solutions that support workers while preserving jobs, encouraging investment, and strengthening Rhode Island's economy.

Respectfully submitted by:

Gregory Tumolo

Gregory Tumolo, Executive Director
Rhode Island Business Leaders Alliance