

Raising the Minimum Wage Boosts Working Families and the Rhode Island Economy

March 2016

Putting more money in the pockets of Rhode Island workers not only helps those families, it also puts more money in the cash registers of local businesses, and creates jobs in Rhode Island.

Minimum wage earners are not able to meet their basic needs. According to the most recent [*Rhode Island Standard of Need*](#), a study that documents the cost of living in the Ocean state, a two-parent family of four needs to earn \$5,353/month, while a single parent of two children (one toddler and one school-aged child) would need to earn \$4,924/month, just to meet their basic expenses. Working full-time year round, each parent in a two-parent family would need to earn \$15.44/hour to make ends meet, while a single earner would need to earn about \$28.40/hour. At Rhode Island's current minimum wage, each parent in two-parent family would need to work more than 64 hours a week to meet basic needs, leaving little time to spend with their children.

Rhode Island's minimum wage increase from \$9.00 to \$9.60, beginning Jan 1, 2016 resulted in 64,000 Rhode Island workers receiving wage increases totaling \$32 million. The \$9.60 minimum wage is the same as Connecticut's currently, and below Massachusetts's current \$10.00 minimum wage. In 2017, MA will increase their minimum wage to \$11.00/hour, and CT will increase their minimum wage to \$10.10/hour.

	MA	CT	RI
Minimum Wage in 2015	\$9.00	\$9.15	\$9.00
Minimum Wage in 2016	\$10.00	\$9.60	\$9.60
Minimum Wage in 2017	\$11.00	\$10.10	?

Further increasing Rhode Island's minimum wage to \$10.10/hour will increase wages for 78,000 Rhode Island workers (15.8 percent of total workforce), by a total of \$26.9 million, giving the Rhode Island economy a further boost.

Rhode Island workers affected by increasing the state's minimum wage to \$10.10/hour have the following characteristics:

- Nearly two thirds (62.0 percent) are women, accounting for one in five women in the workforce. This is particularly significant given the persistent wage gap facing women in Rhode Island.

- Nearly two thirds (64.3 percent) are 25 years of age or older, more than a quarter of them (30.1 percent) are married, and more than a quarter of them (27.6 percent) have children.
- Only 13.8 percent are teenagers, about the same share (14.5 percent) as are 55 years of age and older.
- While nearly two-thirds (65.2 percent) of those affected are non-Hispanic white workers (13.5 percent of the non-Hispanic white workforce), people of color would disproportionately benefit from increasing the minimum wage.
 - Nearly a quarter of those affected (23.7 percent) are Latino, representing more than one quarter (26.9 percent) of all Latino workers.
- While there are minimum wage workers in many sectors, some sectors would benefit more than others. More than a quarter (29.8 percent) of retail workers would benefit, and more than a third (33.8 percent) of workers in leisure and hospitality would benefit.
- Minimum wage earners are more highly educated than is often thought. Fewer than a quarter (22.1 percent) lack a high school diploma, and four in ten (42.3 percent) have some college or are college graduates.
- Boosting the wages of parents in Rhode Island helps Ocean State children, also. Nearly one in five (18.7 percent) of the state's children have a parent who would see a wage increase.

Increasing the minimum wage is a win-win for Rhode Island, moving thousands of Rhode Island families towards economic stability while boosting the Rhode Island economy.