

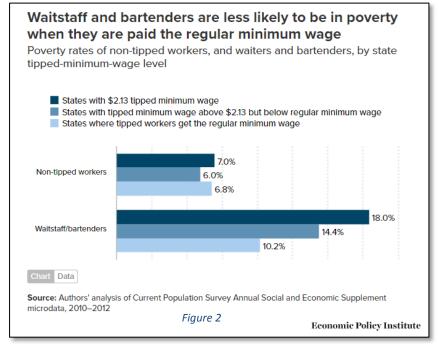
## **Increase the Tipped Minimum Wage**

The Economic Progress Institute supports the provisions in House Bill 5595 and 5315 increasing the minimum wage for tipped workers.

The case for raising the tipped minimum wage is essentially the same as for the normal minimum wage. After decades of stagnant wage growth, lower income Rhode Islanders can best contribute to a vibrant Ocean State economy if their wages are sufficient to allow them to spend their income on goods and services, supporting local businesses in every Rhode Island community.

The Economic Policy Institute Minimum Wage Tracker The federal minimum wage has not been raised since 2009. In the absence of action at the national level, many states and localities have raised their own minimum wages. Explore the map to see how these rapidly changing laws differ across the country, and read EPI's recent research explaining the benefits of raising the minimum wage and eliminating the subminimum wage for tipped workers. As of March 13, 2017 Rhode Island Subminimum wage for tipped workers Minimum wage \$9.60 \$3.39 Most recent increase \$2.89 to \$3.39, effective January 1, 2016 Most recent major change to tipped wage law 2015, by legislation Ind. N.J. Wyo Upcoming increases ective January 1, 2017 Tenn N.C. S.C. Federal tipped wage applies Tipped workers receive full minimum wage Figure 1

In Figure 2 below, we see that nationally, waiters and bartenders face poverty rates that are significantly higher than poverty rates for non-tipped workers. Strikingly evident, however, is that in states where tipped workers get the regular minimum wage, their poverty rates are dramatically lower than are those in states where the paltry, 26-year old federal tipped minimum applies. In states like Rhode Island with tipped minimum wages higher than the federal, but lower than the regular minimum wage, poverty rates also fall in between, at 14.4 percent.



We urge this committee to support an increase in Rhode Island's tipped minimum wage.