

## Bills seek minimum wage hike

By Nicole Dionne,  
PBN Staff Writer

If a person in Rhode Island works 40 hours a week at the state's minimum wage, \$7.40 an hour, he will earn \$15,392 a year. That is \$5,182 above the federal poverty line for an individual with no children, and \$1,778 below the poverty line for a parent with two children.

Aiming to do better by low-wage workers – and emboldened by Congress' approval of the first federal minimum-wage hike in nearly a decade – state legislators are sponsoring bills to further raise Rhode Island's minimum wage, which is now \$2.25 higher than the federal one.

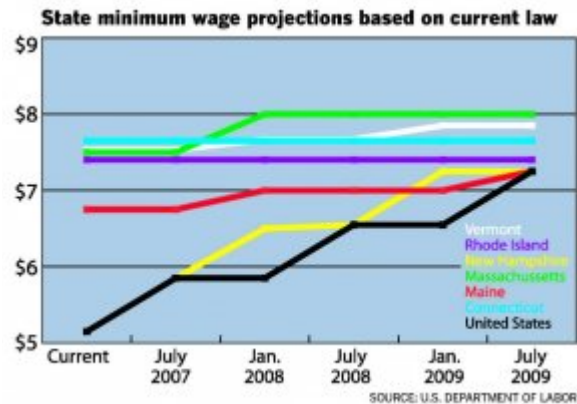
"If we're going to compete with Massachusetts as far as the flat tax we charge on the wealthiest, then we should compete with what we pay our lowest-paid men and women," said Rep. Charlene Lima, D-Cranston, one of the bills' sponsors. "I think it's important that Rhode Island stay at the forefront of this issue because it's important to our constituency."

Lima noted that by July 2009, the federal minimum wage will be barely below Rhode Island's, at \$7.25. "Even the federal government has realized this is something that needs to be done, and the cost of living in the Northeast is higher than the rest of the country," she said.

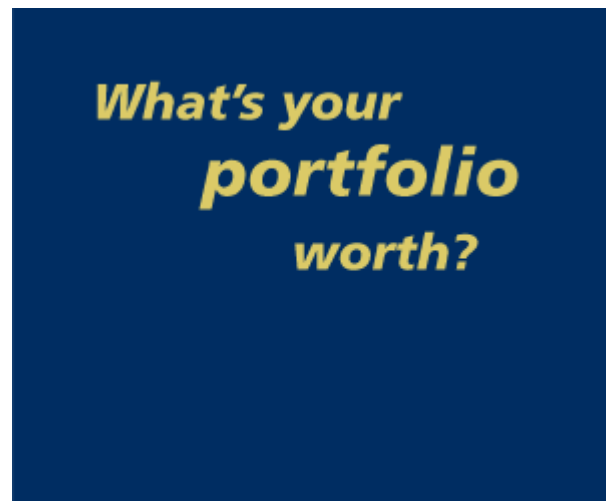
Without another hike, Rhode Island will have the second-lowest minimum wage in New England, after New Hampshire.

Lima's bill would increase the state's minimum wage to \$7.75 an hour next January and \$8 in January 2009, on par with Massachusetts, which has the highest minimum wage in New England. After that, each January, the rate would be adjusted based on the consumer price index for the Northeast region.

"It's certainly not a decent wage, but it will help," Lima said.



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A similar bill sponsored by Sen. Leonidas P. Raptakis, D-Coventry, would begin adjusting the minimum wage based on the CPI for the Northeast region starting next January, but cap annual hikes at 3 percent.

"If you don't put a cap, it's a runaway," he said. "What happens if the inflation is 6 percent? This way at least the business owner knows it's no more than 3 percent."

Ellen Frank, senior economist at the Poverty Institute at Rhode Island College, said any increase in the minimum wage helps, but "a single person trying to pay rent and meet basic living expenses needs a rate of \$9.29 an hour. So we would rather see the minimum wage be a living wage."

But some don't support any minimum wage increase, no matter how it is calculated.

"We believe that it is more proper to concentrate from the state's perspective on providing work force training education assistance and also increasing the state's earned income tax credit than forcing a minimum wage increase each year based on the consumer price index," said David R. Carlin III, vice president of government affairs for the Northern Rhode Island Chamber of Commerce and lobbyist for the Rhode Island Chamber of Commerce Coalition, which represents 13 Chambers. "It would be automatic for a business, and some businesses might not be experiencing growth."

Carlin added that if any of this legislation appears likely to pass, the coalition would ask for an amendment making the increase only apply to breadwinners.

"Our amendment would have the minimum wage increases apply only to those supporting themselves via this particular job or supporting their families," he said, "without going to those under 18 and not supporting themselves or their families or working part time while going to school."

But both Lima and Karen Malcolm, executive director of Ocean State Action, called that ridiculous.

"A worker is going to have to apply for an improved wage? No, it doesn't make sense," Malcolm said. "I don't think that it's good policy to begin to classify workers based on their family responsibilities. I believe that anybody working in the community and being responsible in their job should have wages based on performance, but the minimum wage provides the base of where those rates should begin."

And although Carlin said the state should be doing more, the fact is that the state has been cutting programs aimed at helping low-income workers, Lima noted.

"This is needed to help offset some of the budget cuts," she said. "The governor's budget is cutting services to people, and when we cut, those people are going to need help putting food on the table."

Lima also said statements regarding how much a minimum wage hike would hurt businesses are mostly guff.

"They're concerned with the high cost of business, but the facts don't bear that out," she said.

"The little increases we have given have not hurt business and have not chased business out. In fact, as of May 18, 2007, the Rhode Island job count showed a record level of people working."

Malcolm added that raising the minimum wage could actually have an economic benefit for the state.

“We believe that a reasonable minimum wage helps support economic development and growth by providing working families with the wages that they need to care for their families and to invest and spend in the community,” she said.

Lima’s legislation is currently being held for further study, but she said that doesn’t mean it’s dead. Raptakis’ legislation is currently in the Senate Labor Committee. He said he doesn’t expect it to go far this year.