Protecting Opportunity for Working Families
Second-Term Policy Proposal

Governor Raimondo will ensure fairness and opportunity for every Rhode Island family

1. IMPROVE RHODE ISLAND’S PAY EQUITY LAW

Women in Rhode Island are currently paid an average 86 cents for every dollar paid to a man doing comparable work -- and this imbalance is worse for women of color. Governor Raimondo supported legislation during the 2018 session that would have brought Rhode Island’s equal pay law into the 21st century, and she will continue this effort in her second term. Rhode Island should follow Massachusetts’ lead -- this year, a best-in-the-nation equal pay law went into effect in our neighboring state. In her second term, Raimondo will work to:

a. Ban employers from inquiring into a potential employee’s wage history before an offer of employment is made;
b. Prohibit workplace policies requiring “pay secrecy” such as prohibiting employees from discussing their compensation between each other; and
c. Clarify the definition of pay to include “comparable work,” instead of the outdated standard of “equal work” currently on the books in Rhode Island.

2. EXPAND ACCESS TO PAID FAMILY LEAVE

Four years into our nation-leading experience with paid family leave (known as TCI), the benefits are clear: Allowing workers to take paid time off to care for a seriously ill family member or to bond with a child promotes family economic security, an easier transition back to work, and better overall physical and mental health for workers enduring major life events. We should consider expanding the TCI program by:

a. Increasing the wage-replacement rate for lower-wage workers, enabling these individuals to more easily access the benefit;
b. Increase the number of weeks a worker can use per year (above the currently-allowed four weeks per year); and
c. Re-evaluating the contribution formula to make the benefit more affordable to lower- and middle-wage workers.

3. REIN IN PREDATORY PAYDAY LENDING

Rhode Island’s payday lending industry has repeatedly beaten back efforts to reform our state’s payday lending laws -- which currently place Rhode Island as a significant outlier both regionally
and nationally. For example, Connecticut, Massachusetts, New York, and New Jersey all have small loan rate caps between 12% and 30% -- while Rhode Island’s maximum APR currently stands at 260%. This is bad for Rhode Island consumers and places families utilizing these products at significant financial risk. Governor Raimondo will support efforts to reform our payday lending system by bringing down our state’s usury caps and APR limits on these small loans -- making these products safer and more affordable for consumers.

4. CRACK DOWN ON WAGE THEFT

Through the Department of Labor and Training’s misclassification task force, the Raimondo Administration has made great strides in identifying and punishing employers who are illegally classifying employees as independent contractors in order to avoid their payroll tax and insurance obligations. In her second term, Governor Raimondo will work with labor organizations, advocates, and the business community to explore and support legislative and administrative changes to punish employers committing wage theft -- not paying workers for the hours they’ve worked, or paying sub-minimum wages.

5. EXPAND THE EARNED INCOME TAX CREDIT (EITC)

The Governor will push to expand, again, Rhode Island’s Earned Income Tax Credit. This important tax credit improves the fairness of Rhode Island’s tax system, and predominantly benefits working families raising children. In combination with a higher minimum wage, an enhanced EITC will significantly improve the economic security of working families in our state. Governor Raimondo will propose a phased-in expansion of the EITC to 20% of the federal credit (vs. the 15% under current law) and make sure to maintain its critically-important refundable component.