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April 13, 2015

House Business & Labor Committee

Senate Workforce Committee

Re: Proposals to increase statewide minimum wage

Dear House Chair Holvey and Senate Chair Dembrow,

We are small business owners in McMinnville, OR where we own several small businesses including a coffee shop and flower shop. We support Oregon's current minimum wage law that indexes the minimum wage each year based on inflation.

We ask that you oppose efforts to increase Oregon's minimum wage further. Increases in the minimum wage would hurt local businesses, result in fewer businesses and jobs, and would not benefit our community.

We ask that you oppose these efforts based on the fact that this will have an immediate damaging impact on our business, and will likely result in us cutting back on our labor force.

- Small independent coffee shops are already under increased competition from national and regional chains. Such chains have the ability to off load increased costs from a wage hike in Oregon across their operations out of state where markets may be able to bear an incremental increase, to offset a substantial increase in costs specifically in Oregon. We do not have this opportunity, likely resulting in independent coffee shop product prices increasing more than the chain. This will likely result in loss of business to the local independent coffee shop.
- Small independent coffee shops also see revenue lowered from alternative products such as the home-scaled espresso machines, flavored coffee energy drinks, and flavored mixes. This sudden and dramatic wage hike will cause us to have a sudden and dramatic product price increase. Such price increases will likely have an effect on consumers, pushing them towards alternatives. This loss of business will cause a reduction in our labor force.

- Local flower shops also face stiff competition from big box stores and retailers such as Costco and Safeway. This single biggest advantage a local flower shop has over this competition is personal delivery. This sudden wage hike will cause us to increase our delivery fees, likely resulting in loss of business, as consumers weigh the value of personal delivery over picking up the flowers and delivering it themselves. As business is reduced, delivery may no longer be a viable service to offer, resulting in a reduction of our labor force.

These are but a few of the examples that come to mind. There will be a significant negative impact on all of our business. In addition the legislature is already considering a paid sick leave mandate that will cost small business in Oregon considerable money.

As Oregon small business owners and tax payers, we urge you to carefully consider the negative impact this increased minimum wage bill will have, especially on those that the intent was to protect.

Sincerely,



Denny & Lucetta Elmer,

Business Owners