

My name is Diana Marsden, owner of a small, retail business with two stores - one in Hillsboro and one in Happy Valley. I have 19 hourly employees - 10 minimum wage part time and nine with hourly wages ranging from \$11-16 per hour. In preparation for another, more significant, increase to the minimum wage, I decided to run some hard numbers. Here's what I have calculated, and these are real, hard numbers.

If the minimum wage is raised to even \$13 an hour, I will have an increase of \$1867/month just in salaries. If you add the payroll taxes to that it increases to \$2614 per month. If you calculate my gross margin on sales, I will need to have **an additional \$5447** per month in sales to cover the added expense.

THEN, in the interest of fairness and parity, I will need to also bump up the wages of my other hourly employees - even those being paid over \$13 an hour. I have calculated that impact to be an additional \$1352 per month and when you add the tax impact it totals \$1893. Again calculating my gross margin on sales, I will need to increase my sales by an **additional \$3943** per month.

So the bottom line is I will have to increase my revenue, or cut direct expenses which will be difficult as I run quite lean, by **\$9390** per month or **\$112,680 per year** which is a **12% increase in sales. This is impossible.** It is important to note here that I am not a profitable company and am working very hard to get there with the revenue and expenses I have currently. This burden will cause me to close my stores. The impact of that will be a loss of 20 jobs, a burden to the unemployment and healthcare system, loss of their consumption i.e. eating out and shopping, and that doesn't even address the value my business fills in the community- which is significant.

As I run these numbers I am horrified thinking of all the small businesses out there who will have to close their doors. Small business owners like me now have to compete with the likes of Amazon - we don't need our state government putting another nail in our coffin. I believe the big picture result of this will be a dramatic increase in unemployment. Oregon is built on small business and who wants to live in a world of solely homogeneous Targets, WalMarts and Macys. Larger companies have already begun to opt for automation to do business to lessen payroll expenses. Have you been to a bank lately? They are ghost towns. Just one example of what automation has done. And there are many, many other examples of industries employing machines to fill the former shoes of human workers - to lessen operating expenses.

This has been quite a painful exercise for me and a slap in the face frankly to think that I live in a state who is considering closing the doors of hundreds of small businesses. I wish it was easy to just pick up and move my business to a state more small business friendly, but it's not. I implore you to rethink this bill and save the livelihoods of hundreds of Oregon small business owners.

~~Diana Marsden