

February 2, 2016

**Testimony for the Senate Committee on Workforce and General Government
Against SB 1532 by Steve Buckstein, Cascade Policy Institute**

Oregon's Minimum Wage Law Perverts Compassion into Coercion

Picture two Oregon workers. One, a highly skilled and educated woman named Kate, earns well over \$40 per hour based on a 40-hour work week. The other, a younger, less skilled and less educated woman also named Kate has a job that pays her Oregon's minimum wage rate of \$9.25 per hour.

The first Kate happens to be the Governor of Oregon. She, along with some of her colleagues in the Legislature and activists on the campaign trail, believe that the second Kate should be paid as much as \$15.00 per hour by law, depending on where she lives.

Wanting our second Kate to earn more is commendable, but forcing Kate's employer to pay her more than he or she can afford, or more than Kate may be worth to their business, is not commendable.

Some politicians may feel good by "giving" more money to the Kates of the Oregon, but how should they feel for "taking" that money from someone else?

I join many policy analysts, economists and business owners in pointing out the negative effects of raising Oregon's minimum wage. Younger, less educated and lower-skilled workers may lose their jobs, or not gain jobs in the first place if the law prices them out of the labor market. Some employers will be forced to hire fewer workers, let some workers go, and/or raise their prices to all the Kates of Oregon who will blame them, not the politicians, for their suddenly higher cost of living.

But, the practical effects of raising the minimum wage, good or bad, should not cause us to forget the moral aspects of a state policy that dictates what one adult is required to pay another. Voluntary transactions between workers and employers are moral; imposing wage floors from Salem or any other layer of government is not.

I have no illusions that Oregon's Governor, legislature and activists will now see the light and abandon their plans to impose yet another burden on employers while helping some workers at the expense of others. I simply want it on the record that I agree with the author who wrote:

*"The minimum wage is the modern perversion of compassion into coercion: I believe there is a moral imperative for you to earn more, so I force someone else to pay more. I feel moral while sticking someone else with the bill."**

So, rather than raise Oregon's minimum wage rate, the legislature should do the moral thing and end the policy altogether. Then we can all work together with Oregon Governor Kate Brown to find better, moral ways to help all the other Kates of Oregon earn more money without perverting our compassion into coercion.

* Doug Bandow, Cato Institute, January 14, 2014, [The Minimum Wage: Immoral and Inefficient](#)