

Dear House Business & Labor Committee,

I am writing because I feel compelled to act and voice some concerns I have over the direction I understand the majority in the legislature and the governor or looking to take regarding the minimum wage. I met you briefly when you were representing a company that my family owns (Metropolitan Agencies) in a civil matter with a disgruntled ex-employee. I am deeply concerned about the direction the legislature and the Governor are trying to move on this problem.

Let me first copy and paste the position of the chamber of commerce that I happen to be a member of:

“The McMinnville Chamber opposes the proposed legislation in [SB 1532](#), [SB 1592](#), and [HB 4054](#) to raise the minimum wage. We believe that all businesses should have the autonomy to pay their workforce at the level they deem economically sustainable. We believe mandated wage increases outside of what is already in place in Oregon will hurt the economic sustainability of our local business climate, do a disservice to our most vulnerable workforce participants, and will not achieve the desired outcomes that the authors and supporters wish to achieve.”

Let me also cut a paste a few studies bullet points on the impact of the proposed legislation that I think need to really be considered:

“Cash-strapped school districts will have even less to spend on educating our kids.

- A survey by the Oregon School Board Association indicates a hike to \$13.50 would cost districts \$22 per student or \$15 million a year.¹
- Impacts would affect districts differently. For example, the Hillsboro School District estimates higher wages, if indexed across the district, would cost as much as \$4.4 million, which is equivalent to the 51 teachers the district was able to add in 2015.²
- Oregon’s colleges and universities would also take a hit, ranging from \$21.75 million in 2017-2019 to \$84 million.³

☑ Local governments will be faced with two choices: Cut services or raise property taxes.

- Linn County Commissioners estimate the governor’s proposal will cost their county \$2.25 million a year.⁴
- While the numbers are preliminary, the estimated effect on local governments statewide is \$50 million per biennium.”

I think these understate the impact this will have dramatically. I realize that most legislators who favor increases use the argument that business owners have absorbed previous increases and they will do so again. This starts with an inaccurate picture. The assumption is that there is always enough profit available to do so. This is simply inaccurate. Previous minimum wage hikes have already eaten what cushion we may have had and now each one results in price increases to our customers, streamlining and laying off or simply closing the doors. As an owner or partial owner of multiple businesses here in Oregon I can tell you that a minimum wage increase will almost certainly close one of my businesses permanently displacing 6 employees (2 of which are single moms) and cause me to cut down employment in another.

It was our understanding that when the legislature in Oregon passed a minimum wage that was tied to the cost of living (which we also opposed strenuously as you have built in an unsustainable inflation into our state economy that is not matched in other states) that it was the end all to this issue. That was the compromise reached at the time. Now the majority part seeks to use its power to reverse course on a deal and force further harm upon the small business owners of this state. To what end? We already have a middle class that is decimated by the continual increase in minimum wage. We already have a situation where employers are not hiring unskilled high school students because they are too expensive at the minimum wage and as a result we have an entire generation that are being raised without learning what it means to have a work ethic. We already have illegals being paid under the table in construction, agriculture and other areas because the risks are worth avoiding the current minimum wage + payroll loading.

Seattle raised the minimum wage to \$15 per hour and the result was an estimated closure of 30% of restaurants in the Seattle area.

I beg of you please research the full impact of a minimum wage hike and quit taking what you think is the easy way out of a complex problem by state mandated hikes to the minimum wage. This is not the solution and the cost is far greater than this state can bear.

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