



February 1, 2016

Senator Michael Dembrow, Chair
Senator Kim Thatcher, Vice Chair
Senate Committee on Workforce and General Government
Oregon State Legislature
900 Court Street NE
Salem, Oregon 97301

Re: Opposition of SB 1532, Minimum Wage

Redmond Economic Development, Inc. (REDI) opposes Senate Bill 1532 as it relates to raising the minimum wage in the State of Oregon. Simply put, raising our minimum wage in Oregon will create added operational costs to businesses in this state. If passed these costs would need to be recuperated in the form of staff reductions, operating at lower margins (less to invest back into business), raising prices or simply moving the business to a more affordable state. Oregon has the second highest minimum wage in the nation.

We have heard from numerous companies – since last session and more recently as the Governor's plan was released – sharing their frustration with this legislation. One business in Redmond is already discussing options in to relocate and has been contacted by Nevada, North and South Carolina and Texas. These states are preparing to sway the interest of Oregon businesses as a result of this legislation. Companies not presently employing minimum wage earners feel this legislation will level the playing field such they will have to find new ways to offer competitive compensation to their people.

Those in support of this minimum wage legislation are convinced this will assist Oregonians in their ability to pay for essential needs. The fact is that the costs for these essential needs will increase. Grocery stores, pharmacies, banks, gas stations and even government agencies providing public services will have to pass these cost increases on to consumers. Furthermore, consumers will have to absorb these cost increases; including but not limited to seniors on fixed incomes.

REDI has been involved in business, workforce, and community development in Central Oregon for over 25 years. In addition to its traded sector business recruitment efforts, we have provided technical support and resources to many of Redmond's existing employers that account for a large percentage of the community's family wage jobs and taxable investment.

REDI's 24 member Board of Directors voted unanimously to oppose this bill. We appreciate this opportunity to share our perspective. Should you have any questions please don't hesitate calling me.

Respectfully,

Jon Stark
Sr. Manager
Redmond Economic Development, Inc.