

I'm writing to encourage you to **vote no on the proposed minimum wage increase.**

I own a small business in Central Oregon

We have 27 full time year round employees and hire another 15 to 20 employees during our seasonal peak seasons.

Simply put, before you propose to implement a law that will drastically affect how I run my business and the financial well being of my employees, you need to understand my business and others like mine. Based on the fact that this bill passed the Senate It is obvious that our Senators do not understand my business or others like mine.

The proposed increase in the minimum wage is 45%. That's right **45%**. Think about that...let it sink in... now; when in your lifetime did you ever receive a pay increase that amounted to 45%? Did you earn it or was it given to you just because? When you got yours did everyone else around you get a pay raise of 45% as well just for participating?

The reason I'm asking is because what you are proposing does not only affect the minimum wage earners it affects everyone from there on up.

Put another way if the person working next to you, who has less skills, less tenure, less drive, less knowledge of the job who you are most likely training them for, just got a 45% increase in pay wouldn't you think you deserved one too? I know I would.

Our lowest paid employee is an entry level employee whose starting wage is \$12.00 (29.5% higher than the current minimum wage).

For the sake of argument, let's say all of my full time employees make \$12.00 per hour. That works out to an annual payroll of \$673,920.00. Each of those employees has the right to a 45% increase in wages just like the minimum wage earners don't they? (I'm not clear on congress' position on this). If we give that 45% increase our payroll jumps from \$673,920.00 to \$977,184.00 an increase of \$303,264.00. The increase is actually more than that because of the 12% to 15% burden (taxes) associated with their pay. Applying that figure the increase jumps to \$339,665.

Our company made a good profit last year, a small profit the year before and lost money the previous three years. Our 5 year average is at a break even. So I ask you, where am I supposed to come up with and additional \$339,000? No, really I'm serious if you have a special formula I'd really like to see it.

The only choices I see with something like this being imposed on my business are

1. To become more efficient
 - a. That means carefully evaluating our staff and our staffing needs
 - b. Most likely cut back our full time staff by as much as a third
 - c. When we do need to hire, the new hire requirements will need to be much more stringent
 - i. This means I will be hard pressed to give someone with a few blemishes on their resume a chance
 - d. Take a look at our benefits and adjust as needed
 - i. Our benefit plan has already been hit over the past few years and having a mandatory expense increase will likely deplete it more.
2. Renegotiate pricing with our suppliers and vendors
 - a. This will probably be tough because they will be in the same boat we are and will most likely be trying to raise pricing rather than lower it
3. Increase the rates we are charging our customers
 - a. This one always cracks me up. What the taxing entities don't quite seem to understand is, if I felt comfortable increasing our rates I would have done so already.
 - b. Frankly we have been hindered from increasing our rates because in the last several years the State, County and local governments have instituted new taxes or increases of

existing taxes on our industry. So in reality you have increased your income at my business' expense.

Bottom line. If the increase goes through there will be jobs lost at my company. New hires will have to meet a much higher standard of requirements than they have in the past. Your dream of having a "living wage" for an entry level employee just went out the window because I will not be able to afford to hire an "entry level" employee. What you are proposing will only serve to make the current gap bigger. Please see your way fit to leave the survival of my business in my hands, our employee's hands and our customer's hands. As much as we appreciate your efforts we really don't need you getting involved in something you haven't taken the time to understand.

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Larry Browning - President
Discover Sunriver Vacation Rentals