

February 12, 2016

Esteemed Representatives,

We have calculated that the proposed minimum wage increase would cost our small, family-owned business an additional \$301,000 (plus payroll taxes) annually. We have remained in business for 90 plus years and have weathered many storms. The financial burden resulting from this sudden increase in minimum wage, however, could prove disastrous for our business, resulting in the possible unemployment of dozens of individuals.

As an agricultural employer whose payroll roster fluctuates from 22 year-round employees up to 160 for our harvest season, the proposed increase to our minimum wage would hurt us to the degree that we would drastically have to change our business practices.

We just celebrated our 90th year in 2015. As a small business, we simply cannot survive with a wage increase such as the one under discussion in the Legislature. I firmly believe that the longevity of our business is due in large part to the high-level quality of our Iris and our business model, which are both a product of the labor-intensive, hands-on approach to our growing and processing procedures. This hands-on process necessitates the number of employees we rely on each harvest season.

We pride ourselves on the quality of the product that results from this painstaking, hands-on process. Our long-standing customers have come to expect this level of quality over the years. Our new customers often remark how pleasantly surprised they are at the high level of quality found not only in our Iris, but also in our customer service. We have thus far thrived with the pricing structure we have employed over the years because of the fact that the minimum wage has been kept at a rate affordable for business to support.

However, our revenue would simply not support the proposed dramatic increase in the minimum wage. We could not afford to hire sufficient staff to accomplish the required workload. We employ many high school students in the summer months who want to earn money for college, some of them work for us for 5 to 7 years seasonally. If the minimum wage is increased as proposed, we would have to hire fewer students, which is a shame -- seeing agriculture in the nitty-gritty work ethic of dirt, dust and long hours is something that many of them have said has helped them become a better worker, better employee. A higher minimum wage would mean that we would need to reduce the number of these young workers, thereby potentially increasing the number of unemployed youth in Oregon.

Without adequate staff, there would be fewer Iris harvested to fill the orders. What, we ask, would be the point of marketing our product if we can't deliver goods as promised? The increased operating expenses would necessitate a price increase in our Iris - effectively asking our customers to help us afford the higher wage requirement. Ultimately the increase of the minimum wage would negatively impact the quality of our product and price us out of the market. How many businesses will trim back due to this minimum wage hike?

I believe that many agricultural businesses in Oregon would similarly suffer from the proposed increase in the minimum wage. The market for agricultural goods in this country could not

support an increase in prices. The increase in prices for agricultural products would ultimately necessitate an increase in other services, thereby negating the perceived benefit of increasing the minimum wage. Many smaller farm businesses would need to close their doors, resulting in higher unemployment across the state, and a weakening of the economy and agricultural industry statewide.

Thank you for taking the time to read the concerns of a small business owner in Salem. The minimum wage was never meant to be a "living wage".

Sincerely,
Liz Schmidt, Owner
Schreiner's Iris Gardens
3625 Quinaby Road NE
Salem OR 97303
503-393-3232
www.schreinersgardens.com