

Testimony in Support of Raising Oregon's Minimum Wage

February 15, 2016

House Committee on Business and Labor

Written Testimony Submitted by Sarah Joannides

Chair Holvey, Vice Chair Buckley, Vice Chair Kennemer, Members of the Committee, for the record, my name is Sarah Joannides and I am the Director of Social Responsibility at New Seasons Market.

Thank you for the opportunity to testify today in support of raising the minimum wage in Oregon, and in support of Senate Bill 1532.

New Seasons Market was founded on the idea that business can be a force for good, serving our staff, our communities and our planet as part of growing a healthy business. We opened our first store 16 years ago, and today, we have 16 stores in Oregon, over 3,000 employees and are one of the state's largest private employers. Our success proves that triple-bottom line values can align with building a successful business enterprise.

Our company believes that our staff are our greatest asset. They are at the center of our success, and as such we've always been committed to offering fair wages and industry-leading benefits. In fact, for more than a decade, our starting wages have been well above the state regulatory minimum.

Recently, however, we've become concerned about the rising cost of living in Oregon, particularly in the Portland Metro area where our stores are located. With housing costs skyrocketing, many of our staff had been telling us they weren't able to make ends meet. As a company deeply committed to progressive compensation, we had to face the reality that, even with our best intentions, our wages were not keeping up.

We believe our staff, and all Oregonians that work full-time, should be able to thrive in the communities where they live and work. That's why New Seasons Market made the decision to raise our starting wage to \$12 an hour on January 1st of this year.

This is a significant investment on our part – raising starting wages by 20%. But it's only the first step, and we can't do it alone. We believe it's time to raise Oregon's minimum wage so every Oregonian has the opportunity to prosper.

New Seasons stands with a growing number of businesses across the state that believe an increase in Oregon's minimum wage will make a positive impact by improving quality of life, building a sustainable economy, and establishing thriving communities.

You will hear from opponents that businesses can't afford to raise the wages – but our experience shows that is simply not true. Grocery is a low-margin industry. But time and again, we have found that when we increase wages, our turnover goes down and our morale goes up, and the result is a boost to our bottom line.

In fact, New Seasons' rate of turnover is significantly lower than many of our competitors, in large part because of our commitment to progressive compensation. We know that employee retention drives a positive customer experience and helps us succeed.

I'm here today to advocate for a legislation to increase the minimum wage in Oregon that follows three common-sense principles.

First, just as the case for raising the minimum wage is clear, so too is the need to ensure that businesses have a level playing field for competition. Individual employers cannot reasonably move towards \$15 on their own, if they must compete against other companies whose low wages are subsidized by taxpayer funded public assistance programs. The tide must rise for all ships, which is why statewide public policy is the right path forward.

Second, minimum wage policy should account for the differences between urban and rural economies. While we support a path towards \$15 in Portland, we also understand that the cost of living is very different in rural communities. As a company that partners with growers and producers all over the state, this issue is of the utmost importance to us. Senate Bill 1532 provides the solution to this disparity, by creating three regions with wage rates that reflect the differences in cost of living and median income.

Third, minimum wage increases should be phased in, as in Seattle and San Francisco, so companies can plan and build them into their budgets. Senate Bill 1532 provides workers across the state with a much-needed increase in 2016, while offering a reasonable phase-in period and gradual increases that businesses can plan for from 2017 to 2022.

Ultimately, one local business' employee is another's customer. When people are paid more and can afford to buy more, the positive effects ripple throughout the community. This legislative session is the right time for responsible action, and raising the minimum wage is the right thing to do – for our staff, our communities and for all of Oregon.

Thank you for inviting my testimony. I'd be happy to answer any questions you may have.