

Dear Oregon Representative,

My name is Jonathan Teninty. I own an Italian restaurant in North Plains called Gerald's. I have worked in the restaurant business for 24 years. I want to share my thoughts on the proposed bill to raise minimum wage and hopefully encourage you to vote no.

First of all the current minimum wage is \$9.25 an hour. I believe that is the second highest in the United States. When you factor in the employers portion for social security, Medicare, and work comp...\$9.25 minimum wage cost me as an employer about \$11.50 an hour. That is already too expensive. Minimum wage at \$14.75 an hour is going to cost employers between \$17-18 an hour. That is outrageous!

This wage hike will be making it very difficult for independently owned restaurants like me to stay in business. Last year my net profit was about \$40000. I spent about \$60000 in labor last year. With the proposed minimum wage of \$14.75 an hour, I would have spent about \$90000 in labor and my net profit would have been \$10000. You can imagine I couldn't continue my business with that small of a profit. If this bill passes, I will be forced to make a very difficult decision. I will have to close my restaurant, or I will have to reduce my staff and my wife and I will have to increase our hours significantly to make up the difference. We both currently are already working 50 hours a week each, so increasing our hours doesn't sound very enjoyable. I guarantee many independently owned restaurants will have to make the same difficult decision.

If I choose to stay open for business, I can promise you I will never hire a teenager or college student. It takes much longer to train a young person. Not only does a young person take significantly longer to learn the operations of a restaurant, but you also must teach them how to be a good employee. If I was going to hire someone with a starting wage as high as is being proposed, I would want that employee to learn the job as quickly as possible to lower my training costs. I guarantee many employers will feel the same way. The unfortunate outcome of that is many young people are not going to be able to get jobs. Having a job can be very beneficial to a young person because it teaches them work skills that will help them the rest of their life.

Before buying my restaurant I worked for a pizza company franchise for 22 years. When I started working for them in 1994 they had 16 restaurants. Minimum wage was \$4.75 hour at the time. Each restaurant had 2 assistant managers and one general manager. Those were salary paid positions with healthcare, vacation pay, 401k, and many other perks. Very good jobs. So this company had 48 good paying jobs that any employee could work hard and be promoted to. Unfortunately over the years as minimum wage kept being raised they began cutting the assistant manager positions. I remember when minimum wage went up to \$5.50 an hour we cut all restaurants down to one assistant manager position. In 2005 when it jumped to \$7.25 an hour we cut all assistant manager positions. We also then began closing stores over the next few years. Currently that company has 5 restaurants with one salary paid position in each store. So this pizza franchise went from 1994 having 48 highly paid

positions to currently having 5 salary paid positions that has been stripped of a lot of the benefits it once had. If you asked the owner of that company franchise of why the decline of all these good paying salary positions I promise you he will tell you it is because of the continual hike of minimum wage. So for our small company franchise, minimum wage increases have robbed employees of opportunity to advance. And I guarantee it did with many other companies too.

Some of the bigger companies...McDonalds, Taco Bell, Dennys. Why would they want to open up restaurants in Oregon? \$14.75 is twice what the national minimum wage is. What about call centers? We have a lot of them in Oregon. They usually pay between \$10-12 an hour. If they were forced to pay their employees \$14.75 an hour, why not pickup their business and go to a different state? If it is not cost effective to do business in Oregon, business will move somewhere else. This will increase unemployment and have a negative effect on our economy.

Thank you for reading my letter. I hope me sharing my thoughts will encourage you to vote no on this minimum wage increase that I believe will cause catastrophic damage to our state's economy.

Jon Teninty  
503-754-6566