

February 15, 2016
House Business and Labor Committee

RE: **Opposition to SB 1532**

Chair Holvey and Members of the Committee:

My name is Wendy Abel-Hatzel of Abel Insurance Agency, an independent insurance agency. We have offices in Newport, Florence, Coos Bay and Gold Beach. I am writing to oppose SB 1532.

Since independent agents are dependent on commission income that we have no control in increasing, this becomes a direct increase to our expenses with no offsetting increase in revenue.

Yes, many independent agents already pay their professional employees more than minimum wage currently, but common sense says that those employees are all going to be expecting an increase equivalent to the increase in minimum wage to offset their added expenses from the cost of goods going up to pay these new higher minimum wage employees.

Why would a young person want to entertain a career in insurance when they can have a job that does not have the same responsibilities as our professional industry demands and pays them the same amount.

With having offices in multiple counties, we would either be paying someone in another office a higher rate for no reason other than the law required or we would be raising the other employees just out of fairness.

I calculated the increased cost to increase everyone by the same amount as the minimum wage increase would be and our agency alone will have an added \$160,000 in payroll costs in one year. That is an awful lot of new business that would need to be written to make up for that loss in income to retain the same staff.

Besides being a small business owner, I am also thinking of the small businesses that we support and the trickle down impact this will have on industry in general if small businesses shut down and lay off workers because of this bill.

Please vote no on SB 1532.

Thank you for your consideration.

Wendy Abel-Hatzel, AAI, CIC, CRM, MBA
Abel Insurance Agency