



*Consumer Advocacy • Economic Security*

ECONOMIC FAIRNESS OREGON

March 12, 2013

Re: Support for HB 2976, HB 2977, and HB 3142

Dear Chair Doherty, Co-Vice Chair Kennemer, Co-Vice Chair Barton, and Members of the Committee:

Economic Fairness Oregon asks for your support on HB 2296, HB 2297, and HB 3142. These bills will reduce wage theft and provide a means for workers to collect the wages they've earned.

Economic Fairness Oregon is a consumer advocacy non-profit focused on state policy benefiting primarily low- and middle-income Oregonians. We strive to create an equal playing field for all individuals, and wage theft is an impediment to equality.

Wage theft occurs when employers under-pay or fail to pay wages workers have earned for their labor. It can occur in many forms including: failure to pay minimum wage, agreed-upon rates, or overtime; under the table or cash payments, failure to award tips earned, or out-right failure to pay at all.

An increasing problem is the mislabeling of employees as independent contractors. Independent contractors have no guarantees of minimum wage and overtime. They do not receive workers' compensation or unemployment compensation. They are not covered by anti-discrimination laws. When employees are mislabeled contractors, the tax burden on employees is significantly and wrongfully increased.

Wage theft occurs in most industries and affects all people. However, it affects individuals living paycheck to paycheck the most, often leaving them without money to pay for food, shelter, and provide for their children. The emotional and psychological toll of this experience is difficult to imagine, and workers must spend additional unpaid hours trying to recoup lost pay.

In addition to the tremendous impacts that wage theft has on individuals and families, please consider the following impacts to business, communities, and to the state:

- Wage theft creates a disadvantage for the vast majority of Oregon employers who pay their workers living wages as they must compete against those who reduce their costs by not paying workers or who do not pay living wages.
- Local economies suffer as workers have less money to put back into their community.
- When individuals and communities are stressed, community and faith-based organizations end up stepping in to provide the most basic needs, impacting their abilities to provide other valuable services to communities and individuals.,
- The State of Oregon loses revenue because no taxes, workers compensation, or unemployment compensation are collected from unpaid wages.

Thank you for your time and consideration on this important issue. Again, we ask for your support on these bills. All workers should be paid for their labor, and one way or another, when wages are stolen, we all lose.