



## Testimony in support of HB 3471, 4/1/15

I'm Dr. Daniel Morris. I am the research director for Our Oregon and have a faculty appointment at Portland State University School of Community Health. I conduct research on a range of issues including public assistance, government finances, education and public health. I'm here today to testify in support of HB 3471, which would impose a fee on large employers of low-wage workers, to help offset the costs of providing public assistance to their workforce.

Many adults in Oregon work for low wages. Over half a million Oregonians earn less than \$15/hour, and a quarter of the workforce earns less than \$12/hour. That's over 400,000 people. A large share of low-wage workers are employed by big companies. Statewide, around 37% of the jobs paying less than \$10 or \$15/hour were at employers that employed more than 250 people. Less than one quarter of the low wage jobs are at businesses that employ fewer than 20 people.

Many people are working for such low wages that they end up needing public assistance. Based on data on 197,000 working adults receiving food stamps in January 2014, I estimate that the total annual cost of providing food, medical and child care assistance to working families in Oregon is over \$1.7 billion per year.

While taxpayers pick up the tab for necessities for working families, big corporations that rely on low wage, part-time workers are racking up healthy profits. For example, one research study estimated that nationwide public assistance to Walmart workers alone costs more than \$6 billion a year. Last year Walmart made almost \$16 billion in profits. When you put those numbers side by side, it's hard to see this public assistance as anything but a massive subsidy for a very profitable corporation.

Even though taxpayers are paying billions of dollars each year to help support low-wage workers at big employers, the state is unable to provide assistance to everyone who needs it. HB 3471 offers a way to get big employers of low wage workers to contribute more to help cover the costs of the public assistance to their workforce, which will free up resources for other investments.

Thank you for considering this important legislation. I'm happy to answer any questions for the Committee.