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April 13, 2015

Senate Committee on Workforce
House Committee on Business and Labor

Joint House & Senate Committee Public Hearing – Submitted Testimony

Fellow Chairs and Committee Members;

My name is Steve Ferree and I am the owner of Mr. Rooter Plumbing in Portland. I am writing today to explain how raising the minimum wage can affect my business and others. I am asking you to oppose all the minimum wage bills.

Let me first state that Oregon already has the second highest minimum wage in the country, yet it is the 30-36 ranking (depending on what data source you are using) in the US. You have businesses in San Francisco closing due to their minimum wage increase to \$15/hr. Raising minimum wage will increase the cost of goods and services.

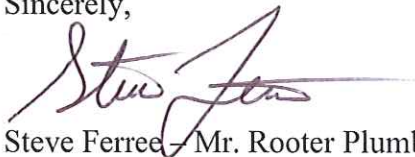
The other issue is what I call the “compression” affect. You are not only raising the wage of the employee that is under the \$15/hr., you are raising others also. For example, you have an employee that has been employed with you for 3 years and has been given a raise every year and is not making \$15. You have a new employee that started 6 months prior to a “minimum wage” increase and is making \$12/hr. When you institute a minimum wage of \$15/hr. they are now both making \$15/hr. Is that fair? Most good employers are going to bump the person that has been there 2 years because it is the right thing to do. However, they will need to make up the additional wages, somewhere else, possibly cutting other benefits.

Pre-emption is also VERY important, this needs to be KEPT in place, and not let every jurisdiction set minimum wage. There are lots of businesses that compete with each other within the state, county and cities. It is not fair to have one set of rules for one business and different rules for another like business. Restaurants for example, if I can buy my pizza across the street for \$2 less, because they have lower prices, due to wages, which pizza place am I going?

Most of our employees are above the current proposal of \$15/hr. We do have 3 new office staff that is below that. Minimum wage does and will increase the cost of goods. When you add to that the Paid Sick leave and I am sure to come, taxes, we will have increased costs to our business. As an employer "of Choice", we strive to have great benefits. We currently pay for 75% of the employee medical, "Paid Time Off", 6 paid holidays, bonus programs and our technicians are allowed to take their truck home at night, think of the fuel savings for them. If minimum wage is passed, along with the paid sick leave (currently have 40hrs sick leave, not 56) is enacted, we will be forced to cut holiday pay, or not let the techs drive the trucks home at night. As business owners, we need to make decisions that keep the business profitable; we cannot just keep increasing costs and always raise the "Sale Price". Whether a business increases prices, or cuts benefits to employees, the person that is impacted the most by a "minimum wage increase" is that very individual we are trying to help.

As a Small Business Owner, and Chair of the NFIB Leadership Council, I URGE you to oppose these wage bills.

Sincerely,



Steve Ferree - Mr. Rooter Plumbing