



April 10th, 2015

House Business & Labor Committee and Senate Workforce Committee

Subj: Proposals to increase statewide minimum wage

Dear House Chair Holvey & Senate Chair Dembrow,

The Tigard Chamber of Commerce represents 300 local businesses and we support Oregon's current minimum wage law that indexes the minimum wage each year based on inflation. Small business comprises a large percentage of our membership across manufacturing, consumer, administrative and management/professional sectors and our members employ roughly 5,000 people.

On a larger scale, Tigard is home to over 3,000 businesses of which over 1,200 are in the administrative services and consumer related business sectors including Washington Square and Bridgeport Village, two large retail malls. These two sectors are the ones most likely to be impacted by a mandated increase in minimum wage.

Depending on the business, an increase in minimum wage will cause one of two things, either an increase in price to the end consumer, or a decrease in margin for the business if they cannot increase their pricing due to competition. One result is decreased capacity for a business to invest, grow and add jobs and the other is increased costs of goods negating the increase in minimum wage for an employee.

Further, even a business paying most employees above minimum wage will likely have to increase employee wages because of the disparity causes by an increase in the wage paid to the lowest level employee. Again resulting in either one of the two scenarios above.

Oregon already has the second highest minimum wage in the nation, and is over \$2/hour above the federal minimum wage. Even with that our unemployment rate has consistently exceeded the federal unemployment rate and our average worker makes 92 cents on the dollar to the average US worker. Clearly raising minimum wage is not the answer. Enabling businesses to invest, grow and create more family wage jobs is the answer.

If you couple an increase in minimum wage with a paid sick leave mandate currently being considered by the legislature that will cost small business \$976 million per biennium, **it will cripple business**, in particular small businesses who are the economic engine of the state.

We ask that you oppose efforts to increase Oregon's minimum wage further. Increases in the minimum wage would hurt local businesses, result in fewer businesses and jobs, and would not benefit our community.

Sincerely,

A handwritten signature in cursive script that reads 'Debi Mollahan'.

Debi Mollahan
CEO, Tigard Chamber

TIGARD AREA



Where Business Soars!

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