

April 13, 2015

House Business & Labor Committee
Senate Workforce Committee



Re: Proposals to increase statewide minimum wage

Dear House Chair Holvey and Senate Chair Dembrow,

The Baker County Chamber of Commerce represents local Baker County businesses and we support Oregon's current minimum wage law that indexes the minimum wage each year based on inflation. Oregon's minimum wage is the second highest state minimum wage in the US, behind only Washington (\$9.47/hour).

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.

Approximately 8% of state's workforce earns minimum wage today. Much of that 8% reside in rural Oregon. Rural Oregon businesses struggle with the current minimum wage; we have fewer customers, higher operational costs and higher supply costs than the greater population based area along the I5 Corridor.

Oregon's historically high minimum wage has not yielded economic gains for Oregon workers. Since 2002 (when Oregon voters passed Measure 25 to increase minimum wage and index for inflation):

- Oregon's unemployment rate has consistently exceeded the federal employment rate
- Oregon's youth unemployment rate has consistently exceeded the federal youth unemployment rate
- Oregon's wage and salary income per employee consistently trails the US average

Rural Eastern Oregon businesses could not sustain minimum wage increases as proposed. Our member businesses tell us that they would be forced to lay off their employees and do their best to manage and staff their business alone. Those businesses in the service industry would be forced to increase prices of their products and services which in turn would discourage tourism, one of our remaining industries. As a border town to Idaho we would be affected to a greater degree than businesses in the central part of the state. Our customer base, employment base and tax base would flee to Idaho leaving Eastern Oregon a lonely place.

Sincerely,

Debi Bainter
Executive Director