

WILSONVILLE

AREA CHAMBER OF COMMERCE

A South Metro Business Advocate

April 10, 2015

House Business & Labor Committee
Senate Workforce Committee

Re: Proposals to increase statewide minimum wage

Dear House Chair Holvey and Senate Chair Dembrow,

The Wilsonville Area Chamber of Commerce represents over 425 local 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 already \$9.25 per hour and is automatically indexed each year based on Portland consumer price index (CPI). This is the second highest minimum wage in the country; however our state consistently exceeds the federal employment rate.

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. Our membership has been consistently telling our staff how this increase will negatively impact them. Here are a few examples:

- A locally owned, small auto mechanics shop said that they will be unable to hire the office staff they need to run their business and do marketing. This dramatic of a wage increase will require them to charge more for all services - oil changes alone will need to go up \$6-8 to help offset the new expenses.
- A Wilsonville based chiropractic office stated that they take pride on hiring basic skill level staff, which are often straight out of high school, and working with them through secondary education in our field. If minimum wage is increased, this office will be unable to continue hiring this type of office staff which will in turn require the highly skilled staff to work longer and harder for the same pay. Their customer service will suffer due to this. With all of the rising costs to operating a medical practice, if minimum wage increases as well, they will have to pass that expense straight to their clients, which will be approximately a 20% increase in service fees.
- A large local hotel and convention center estimates that this wage hike will increase their average room nights by \$20 and they will have to increase venue rental fees by 20-30%. Since they are so close to the Oregon border, they could easily lose 20-25% of guest nights and events to SW Washington hotels as they will not be able to compete with their pricing. This facility alone will have an estimated \$520,000 increase in wages just for the employees who are currently under \$15 per hour. Another \$350,000 or more will be required to raise supervisory and administrative positions to keep them in line with their wage scale.
- One of the top tourist attractions in Oregon, who is in Wilsonville, hires a majority of young, inexperienced workers to run individual attractions. They are estimating \$500,000 in increased wages for their minimum wage employees. Since their facility requires a certain amount of people operating it, they will be forced to let go of higher waged administrative, management, and supervisory employees to keep on budget.

These are just a few examples of how a \$5.75 minimum wage increase will impact Wilsonville businesses. We heard dozens of similar stories from our members when asked if they have calculated out the effect of this bill.

We urge you to oppose these efforts to force Oregon to have a higher minimum wage.

Sincerely

Brandi Ebner
CEO, Wilsonville Area Chamber of Commerce