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To: Chair Holvey
Members of the House Committee on Business and Labor

Fr: Tom Chamberlain, President
Oregon AFL-CIO

Re: *Support for HB 2009 to Raise Oregon's Minimum Wage*

April 13, 2015

Chair Holvey and Members of the Committee:

Thank you for the opportunity to testify at today's important hearing. My name is Tom Chamberlain and I am the President of the Oregon AFL-CIO, the statewide federation of labor unions and an advocate for all workers in the legislative process. We represent over 300,000 working Oregonians and are proud to be on the front lines of the fight for an economy that works for everyone and we believe that raising the minimum wage is an important component to this effort.

The coalition working to raise Oregon's minimum wage believes that no full-time worker should live in poverty. Unfortunately even in a state with the nation's second highest minimum wage, a full-time minimum wage worker falls below the Federal poverty level for a family of three making \$19,240 per year.

Workers, business owners, organizational leaders and advocates are here today because of the two very different economic realities Oregonians face. Some say that the economic recovery from the Great Recession is well on its way with some indicators suggesting that our economy is actually doing quite well. By looking at the state GDP and job creation numbers alone, this would be an accurate assessment. However, if you look a little closer at who is getting ahead and who is getting left behind by this economy, you see a very different picture. While job creation numbers in isolation do look promising, the types of jobs we are creating in this state that lead to these positive numbers look very different than the jobs that were lost during the Great Recession. Currently there are nearly 400,000 Oregon workers doing low-wage work (wages under \$12/hr.) making up about 25% of the state's workforce.

Rather than high wage and middle class job growth, today's economic recovery in Oregon is relying on low-wage, no-benefit industry growth largely in the service and retail sectors. Additionally, at the same time workers are facing more and more challenges just getting by and providing for their families, the state of Oregon has one of the highest percentages of workers receiving public assistance. What does this mean? It means that Oregon is essentially subsidizing many large corporations by providing public assistance benefits to their workers when that employer refuses to provide benefits or adequate wages. Our state needs to do everything in its power to rebuild a thriving middle class and move towards an economic recovery that is truly felt by all working Oregonians.

While giving low-wage workers a significant raise won't fix these economic disparities alone, it is an incredibly important component of an agenda that this legislature can act upon that will make a difference in the lives of workers in all corners of the state.

What Are Opponents Saying?

- Opponents to raising the minimum wage will say that an increase will hurt small businesses across the state. While the needs of small businesses are important to consider, there are many that will say, and data to suggest, that putting more cash in the pockets of Oregon's minimum wage workers will boost spending, stimulating the state's economy and actually helping small businesses by giving consumers more spending power.
- Another argument that opponents to raising the minimum wage will use is that a significant raise will actually not have much of an impact on the lives of low-wage workers because many will be bumped from public assistance program eligibility. The "benefits cliff" is an important reality and will need to be thoughtfully considered. But keep in mind that there are over 200,000 Oregon workers in low-wage jobs that do not receive any public benefits and would see a direct raise with a minimum wage increase. Additionally, the legislature has the ability to change eligibility criteria and add funding so that families can earn a higher income and still get the support they need for their families.

The coalition that has come together to raise Oregon's minimum wage consists of many voices representing small businesses, the low-wage workers that will be directly impacted by an increase, the faith community, worker advocates and community organizations to name just a few. You will hear from many of these voices this morning and throughout today's hearings and we appreciate the opportunity to share with you the breadth and depth of this coalition.

Thank you for the opportunity to testify today.

Respectfully,

A handwritten signature in black ink, appearing to read "Tom Chamberlain". The signature is fluid and cursive, with a large initial "T" and "C".

Tom Chamberlain, President
Oregon AFL-CIO