



## Minimum Wage Testimony

Dr. Daniel Morris, Our Oregon • 4/13/15

Oregon's economy isn't working for most Oregonians. Though the wealthiest Oregonians have seen their incomes go up, most families have seen real incomes decline. Far too many people can only find part time, low wage work, and these jobs can be a real drag on the economy.

Over a quarter of the jobs in Oregon pay less than \$12/hour, and nearly 600,000 Oregonians work for less than \$15/hour. Though metro areas have seen recent growth in higher wage jobs, for most of the state almost all the new jobs pay low wages. According to the Oregon Employment Department, three-quarters the job vacancies in 2014 paid less than \$15/hour.

Because low-wage jobs pay so little, and because many workers can only get part-time work, many Oregonians are working hard but still needing assistance from safety net programs to make ends meet. Need for assistance is still far above pre-recession levels, with over 1 million Oregonians receiving food stamps at some point in 2013. The total annual cost of providing SNAP, medical assistance, and employment related day care assistance to working families exceeds **\$1.7 billion per year**.

About two-thirds of low-wage workers are women. Half the women working in Oregon today work in low-wage industries. Almost two-thirds of women in Oregon are the primary or co-breadwinner for their families, and about one-third of female-headed households make less than \$25,000 a year. Among female-headed households with children, 54 percent earn less than \$25,000 annually. These low wages mean that the poverty rates among female-headed households are high. One in three female-headed households, and 53 percent of female-headed households with children under 5 years old, live below the federal poverty line.

Most low wage jobs are in one of four major industries: food service, retail trade, health care and social assistance, and business support services. And most of the low wage jobs are at companies that employ more than 100 people. Many small business owners work hard to offer their employees decent wages and opportunities for advancement, but we know many larger employers base their business model on low-wage, part-time workers. Corporate profits are at record highs, but working families aren't sharing in those economic gains.

Some people argue that low wage jobs serve an important function, providing entry-level positions for young people who are entering the workforce. While that may have been true once upon a time, most of the people working low wage jobs today are not teenagers but adults, trying to support themselves and their families. Nationally over 88 percent of low wage workers are older than 20 and the average age of a worker with a minimum wage job is 35 years old. Retail trade and accommodation and food services are the two industries that tend to have the youngest workers, but even there the median age of working Oregon adults receiving SNAP is 27 years old. These certainly aren't just entry-level jobs for teenagers.

Oregonians need a raise. The stakes are too high and Oregon families can't afford to wait any longer. Oregonians support raising the minimum wage and want the legislature to take actions. I urge legislators to support raising the minimum wage.