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Salem Area Chamber of Commerce 1110 Commercial Street NE Salem, Oregon 97301 503-581-1466; Fax 503-581-0972 Salemchamber.org June 15, 2015

To: Members of the House Rules Committee

From: Salem Area Chamber of Commerce Board of Directors Re: Opposition to HB2012 / Minimum Wage Increase

Chair Hoyle, Committee Members,

The Salem Area Chamber of Commerce, on behalf of our over 1200 business members, is reaching out to voice our strong opposition to artificial minimum wage increases in general, and specifically HB2012, the current bill being discussed to raise Oregon's minimum wage.

Once again, we ask ourselves this central question regarding this bill:

"Will this legislation A) strengthen or B) hinder the ability of the private sector to grow and create jobs for area residents?"

We believe the answer to this simple question is a resounding "hinder".

The Chamber is supportive of employers providing market-appropriate wages and benefits when business conditions allow it and market forces encourage it. We are opposed to the State mandating artificial wage hikes, and additional cost and regulatory burdens that many of our smallest and most vulnerable employers simply can't afford.

- 80% of our Salem Chamber members are small businesses with 20 or fewer employees. A wage increase will reduce these businesses ability to invest in its own growth and workforce, and potentially put some out of business.
- Artificial wage increases will negatively impact consumers by forcing businesses to increase prices.
- Large and rapid wage increases like those proposed create wage compression and force wages higher across the board, creating further cost burdens for vulnerable businesses.
- Repealing preemption to allow regional wages will create a chaotic system rife with barriers to business expansion.

The political "norm" of cities and counties dictating HR policies is dangerous and backwards – particularly those cities and counties so inherently different from the geographic and demographic balance of the State. Even worse to us is the State propagating this leadership void by reacting to local initiatives as opposed to leading the conversation. We urge this body to send a clear signal to municipalities that these issues belong to all businesses, and should be addressed only at the state level.

Sincerely,

Chief Executive Officer
Salem Area Chamber of Commerce

President

Salem Area Chamber of Commerce

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