



Oregon State Chamber of Commerce



## Oregon Business Opposes SB 454

From the Desk of  
Senator Thatcher

Employers know that providing strong benefit packages gives them a competitive advantage, allowing them to recruit and retain top talent. But the fact is, many businesses cannot afford to offer paid sick leave, and in those cases the mandate can hurt both the employer and the employee.

**Small Business – Biggest Burden:** A paid sick leave mandate puts the heaviest burden on small businesses. Most companies able to afford paid sick leave (generally medium and large employers) already provide it. It's the smaller companies, those that can't pay employees when they aren't working, that will feel the impact of this mandate the most. And this isn't an isolated problem. Oregon is overwhelmingly a small business state: approximately 88,000 employers (almost 96%) have fewer than 50 employees. A paid sick leave mandate is just one more road block for those businesses.

**New Costs, But No Good Choices:** If Oregon adopts a paid sick leave mandate, employers that can't afford to it will have three basic choices: 1) Raise prices; 2) Cut costs; or 3) Reduce net revenue. The need to compete with businesses in other states means that choice number one, raising prices, is unlikely. For small businesses, reducing net revenue – even slightly – can mean the difference between staying in business or closing the doors. Instead, resources to cover paid sick leave will come from trimming vendor costs, trimming payroll, cutting reinvestment in the company, or cutting other employee benefits. This is no way to grow an economy.

**One-Size-Fits-All Really Doesn't:** Many businesses can't afford a full benefits package – instead, they must choose among benefits they can afford to best meet the needs of their workforce. A paid sick leave mandate prevents businesses from making choices that best support their employees, substituting instead a one-size-fits-all approach.

Big burden, bad choices, no ability to tailor benefits to employee needs, and another state mandate for business. SB 454 – not so healthy for small businesses.

Continued...

Sincerely,

Associated Oregon Industries (AOI)  
Associated Builders and Contractors, Inc. (ABC)  
Associated General Contractors (AGC)  
Associated Oregon Loggers (AOL)  
National Federal of Independent Business (NFIB)  
Northwest Auto Trades Association (NATA)  
Northwest Food Processors Association (NWFPA)  
Oregon Cattlemen's Association (OCA)  
Oregon Dairy Farms Association (ODFA)  
Oregon Farm Bureau (OFB)  
Oregon Home Builders Association (OHBA)  
Oregon Metals Industry Council (OMIC)  
Oregon Restaurant & Lodging Association (ORLA)  
Oregon Seed Council (OSC)  
Oregon State Association of Plumbing - Heating - Cooling Contractors (ORPHCC)  
Oregon State Chamber of Commerce (OSCC)  
Oregon Trucking Association (OTA)  
Pacific Northwest Hardware and Implement Association (PNWA)  
Salem Area Chamber of Commerce  
Waste Management, Inc. (WM)