

Dear Senate Workforce Committee:

I am writing you today about the proposed \$15.00 an hour minimum wage increase. On the surface it seems like a smart economic move, and the compassionate among us would certainly like to see our working Oregonians earn a living wage. With the high cost of housing, as well as food and utility rates rising, it is impossible for those earning our current minimum wage to keep up. However, there are some fatal flaws in the increase that may come back and make things even worse for the ones we are trying to help the most.

- \$15.00 an hour is still not really a living wage in today's economy. Would families lose their other benefits (food stamps, housing vouchers, daycare), and get caught in a doughnut hole where they are even worse off?
- There should be a separate wage for people who receive tips. I spent 20 years as a food server and bartender all over the country, \$15.00 is a lot to ask these types of businesses to pay. It would also mean raising wages of back of the house employees higher than the minimum to make up for the gross discrepancy in wage differences. Other states that have a separate wage are required to insure that their wait staff makes at least the minimum wage. This is done by having staff declare the tips; if they do not average out at minimum wage then the business is required to make up the difference.
- There is also an issue of fairness. Is it really fair that the part-time high school student be paid almost as much as someone who has been an employee for 20 years? For instance: My husband has worked for Les Schwab for 20 years and makes \$20.00 (plus retirement) an hour. They have several high school and college students at the location who sweep, clean, and help them out. To be fair, the company would probably give my husband a raise but all of us will pay for it in the cost of our tires. This hurts poor people the most since they already struggles with car maintenance.

There are other issues as well that will have a long term consequences which could lead to there being less jobs available for everyone and that needs to be considered as well. With a higher cost of doing business and the almost certain passing of the TPP, what will we have to inspire manufacturing to stay here? And if they do stay, will we have pushed them to the tipping point where automation becomes a better investment than people? If companies begin to leave some of our small towns (look at communities where paper mills have left—for different reasons but the destruction would be the same), the trickle down through the local economy is devastating and difficult to recover from.

I personally, like all good elected officials, wish for a fairer system for our hard working families where they could get ahead. Unfortunately, I do not believe this is a good answer for anyone. It would be my hope that business would understand that the minimum wage was intended to be a starting wage, not the wage that you held people to forever and gave people the opportunities to do better through their hard work and loyalty. This sadly has not been the case for many.

Please carefully consider the unintended consequences of this action because the passing of this wage increase has a great possibility of not really helping who you intended, and more likely will end up hurting us all in the long run.

Thank you,
Denise
Denise Bacon
Newberg City Council President
District 3
Newberg, OR 97132