



WASHINGTON COUNTY BUSINESS COUNCIL

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Feb. 1, 2016

**Senate Committee on Workforce and General Government**

Chair Michael Dembrow  
Vice-Chair Kim Thatcher  
Senator Diane Rosenbaum  
Senator Tim Knopp  
Senator Sara Gelser

900 Court St. NE  
Room 453  
Salem, Oregon 97301

**RE: Senate Bill # 1532 -1**

Dear Chair Dembrow, Vice-Chair Thatcher, & Committee Members:

The Washington County Business Council (WCBC) is a coalition of independent businesses in Washington County, organized to foster and promote sound government, regulatory and fiscal policies that enable economic growth, and job creation. Our Member firms cover the broadest spectrum of Oregon's economy; manufacturing, construction, transportation, banking and finance, agriculture, and retail. WCBC companies have combined annual sales of over \$ 395 million. We provide family wage jobs and benefits, and new jobs and training for entry-level workers just entering the workforce. WCBC companies currently employ more than 400 Oregonians, with pay and benefits exceeding \$ 26M annually.

WCBC opposes SB 1532-1 because it will kill small business as well as jobs. Many small businesses operate on fairly thin margins, increasing the minimum wage as quickly and strongly as proposed will force many businesses to either layoff workers, shut their doors or leave the state.

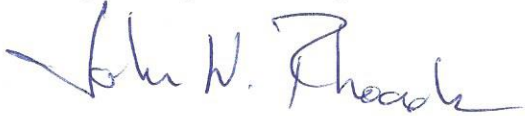
The minimum wage earner is typically an entry level worker with a minimum level of job skills. The employer hires the worker with the thought that they can train them and in time they'll be able to contribute meaningfully to the business. The raise in wages would push entry level and low skill pay employees into the space where other workers, with more skills and value to the company, are being compensated as well. This creates another issue that the business owner will need to deal with.

If the wages are raised this dramatically in the time frame suggested, it will have a meaningful impact to the businesses operating finances right away, to the point the owner will look for ways to lower costs elsewhere and likely will question the need for the entry level worker(s) continued employment. It's conceivable, if the business has enough entry level and low skill

workers, the finance impact may be severe enough that the business will no longer be profitable. The owner will then either lay off the workers, shutter the business, or look for a more favorable state to locate to do business in.

In summary, we oppose this bill because it damages small business and has unintended consequences that outweigh the potential benefit . We therefore urge you to not move this bill.

Respectfully Submitted,

A handwritten signature in blue ink that reads "John W. Rhoads". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

John W. Rhoads

Executive Director Washington County Business Council