



February 4, 2016

To the Honorable Committee Members

RE: Minimum wage increase proposals

Snake River Economic Development Alliance (SREDA) covers 3 counties in the 2 states of Oregon and Idaho. Our primary focus is to market the region to encourage new business investments and more jobs.

It is extremely important that the existing businesses in the region are financially healthy and stable. A company will not generally consider an expansion in a community with a poor economy. Likewise, a new company looking to relocate or expand its geographic location, will not consider a community with struggling businesses.

**We believe that wages should be raised and maintained by the market - NOT by legislation.**

Wages not set by market pressures and artificially raised, such as in Oregon and Washington, can cause unhealthy disruptions in the economy. Businesses adjust to the required higher wages in one of four ways: reduce costs, raise prices, move or go out of business. Each choice has a cost to it in terms of the equation of profitability that the business operates under. Most of the businesses in Eastern Oregon run on a slim profit margin, so the options are limited.

For example, if the business raises prices, then they reduce their ability to compete with businesses in neighboring communities. A business owner may decide that the business is no longer profitable and sell out or close the business.

It is difficult to market the State of Oregon as a great place to do business if the cost of doing business is higher than other Western States – excessively increasing the state mandated minimum wage is a deterrent and a significant cost for a business.

Sincerely,

A handwritten signature in blue ink that reads "Kit Kamo".

Kit Kamo  
Executive Director