

J AND J THOMAS, INC.

Dear Oregon Government leaders,

It seems that every day I hear about how you and the governor want to raise the minimum wage and assist workers in enhancing their standard of living. I applaud the ideals, however in voting to improve their standard of living, I have to ask if you considered how these programs will affect the businesses they work for?

Let me provide a little insight,

We currently employ 45 hardworking and dedicated employees, nearly all of whom are veterans of the armed services. Each are making more than the minimum wage, however nowhere near the minimums you are arbitrarily seeking to impose on business. If the wages move to just \$11.25 per employee, compression at the higher levels must also take effect, requiring that we raise all wages up the chain.

Then, once you adjust for this increase, we have to take into consideration the increased costs of our workers compensation and general liability, which are tied to wages and will also increase accordingly (I am sure the insurance companies are backing this legislation 100%). Now you have made insurance companies even wealthier, raised our taxes (I'm confident you'll love this increase) and doing it all under the guise of helping improve employees standard of living. You do this altruistic decree on the backs of small business who are struggling to stay in business. Naturally as the increases accelerate per year, so will our respective costs, but you will all look like champions of the poor and oppressed.

Once this legislation passes, businesses will be forced to raise their prices to other businesses who also have to pay their employees the new higher rates. This in turn will compel them to cancel our services, which means layoff and terminations of our employees.

Additionally, all of the State contracts we have will have to be canceled and rebid to reflect the higher costs and necessitate to maintain even our meager profit margins. This means Oregonians will ultimately have to pay more taxes to cover statewide increases for contracted services (this is assuming none of you will authorize a decrease in your salaries to offset the increased costs).

Now add to this the new mandatory Sick Leave, which has already cost our company several hundred dollars in just the first month by employees taking advantage of the many loop-holes you built into the law, and you have a recipe for small business closures throughout the State. In nearly seven years in business, we have had more employees take advantage of their sick leave rights in January 2016, then in all the years combined. If Obama gets his way and we raise the wage of exempt employees as well, you can count on even more business closing their doors by year's end.

I fear that your ill-conceived plan to help the people of Oregon will ultimately hurt those who have a genuine desire to work. Your plans will increase the unemployment rate. Once those benefits expire, you will have to raise taxes to pay for additional State assistance and hand-outs. Those who you seek to protect will be the ones most battered by your new law.

The only thing I can hope for is that my hard working employees will seek employment in another state to maintain the very standard of living you are hoping to raise. Eventually, those who have become



dependent on government services will be the only ones remaining in Oregon. Unless subsidized by the State, their purchasing power will ultimately diminish, and those larger companies, will move elsewhere. Then all these people can be adequately supported by your generous retirement incomes, because you and the other government workers (and those living in Portland) will be the only people with gainful employment.

As I write this letter, my wife and I are working with our accountants on our succession planning, factoring how to sell our assets and close our doors.

Professionally,

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