

Testimony on Revised Minimum Wage Proposal.

Use of 2014 Self Sufficiency Standard Produces Out of Date Minimum Wages

A recent news story indicated that the Self Sufficiency Standard for Oregon was being used to explain the use of a multi tiered minimum wage proposal.

I would caution that the published self-sufficiency wage uses 2014 data that is clearly out of date.

For example the 2 BR rent level used for Multnomah County in the self sufficiency standards is shown as \$889, but the 2016 fair market rent for the Portland metro area is \$1,208—**a difference of 36% or \$319 a month. That would require an increase in hourly wages of \$1.84 an hour just to pay for the increased housing costs.**

Updated rent data for 2016 also exists for other counties and I suspect updated data for other component of family costs is also available.

Before adopting a minimum wage proposal I would encourage you to update the data used in the self-sufficiency standards, including the housing cost components to match 2016 fair market rent data.

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