Serving Businesses in the North Plains Area Since 1986



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February 15, 2016

The Honorable Paul Holvey, Honorable Bill Kennemer and Honorable Peter Buckley Members of the Oregon House Committee on Business & Labor Oregon State Capital 900 Court Street NE, RM 453 Salem, OR 97301

Dear Representative Holvey, Representative Kennemer, Representative Buckley and Members of the Committee:

On behalf of the Officers and nearly 60 member businesses of the North Plains Chamber of Commerce located in northwest Washington County, we oppose the enactment of SB-1532, HB 4054 or any amendment thereof proposing a change to the current minimum wage law of the State of Oregon.

We believe changing the current minimum wage law now is both hasty and reckless for a number of reasons; as follows:

- It Will Likely Result In Job Losses—evidence of job losses have been found since the earliest imposition of the minimum wage and the rural areas of our state are hurting far more than the folks who live in Portland and who stand to lose more jobs. Do we know the true cost of this policy?
- It Will Likely Hurt Low-Skilled Workers—there is plenty of evidence that shows minimum wage increases disproportionally hurt the people they're supposed to help. It's not all upside. Do we have data to suggest this won't be the case?
- It Will Likely Have Little Effect On Reducing Poverty--evidence suggests that minimum wage increases don't reduce poverty. Prices will rise to offset the cost of the additional labor load. Do we have data to suggest this won't be the case?
- It Will Result In Higher Prices For Consumers— the costs of minimum wage increases must be paid by someone and will be passed on to consumers. Most businesses simply cannot or will not absorb these costs.
- It Will Allow Local Government to Set Minimum Wages— minimum wage law was never designed to be administered by local government and it shouldn't be now.

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Increasing the minimum wage so dramatically will damage the economic prospects of thousands of vulnerable people. We ask that you recognize that raising the minimum wage involves tradeoffs. It will make it more expensive for businesses to hire.

This isn't a good time to decide that jobs paying less than \$13.50 to 14.75 an hour should literally be against the law. There are people—teenagers, less-skilled workers, people who've been unemployed through the recession who are trying to get on their feet—who need on-the-job experience if they're ever going to be in positions to command higher wages down the road.

The current minimum wage is sufficient for entry-level workers. It was designed to be a training wage—a place to start and gain the skills required for higher wage jobs. It was passed by a majority of the voters of this state in 2003, is tied to price index and it works.

Let's not lock thousands of people out of entry-level employment by massively raising the minimum wage. Rather, let the current minimum wage stand for the non-skilled, entry-level folks and leave the free market to determine what the value of labor is based on—the experience the person brings to the employer.

Raising the minimum wage will not fix all of our woes. We believe there are much better alternatives to help poor families and time should be taken to consider this rather than hastily passing a massive wage hike.

Passing the massive wage hike would be irresponsible and we urge you to vote NO, opposing its' enactment.

Respectfully,

NORTH PLAINS CHAMBER OF COMMERCE

Russ R. Sheldon,

President