

Senate Bill 1532 **A Three-Region Minimum Wage Proposal** -13 Amendments

The proposal included in the -13 amendments to SB 1532 divides Oregon into three regions with different minimum wage rates. The three-region plan addresses the needs of rural Oregon while still helping all Oregonians who are struggling to get by. It provides a higher minimum wage rate in the Portland Metropolitan Urban Growth Boundary (UGB) to accommodate the substantially higher cost of living in that area.

- **Region 1:** Those working in Malheur, Lake, Harney, Wheeler, Sherman, Gilliam, Wallowa, Grant, Jefferson, Baker, Union, Crook, Klamath, Douglas, Coos, Curry, Umatilla and Morrow counties would earn \$12.50 by 2022
- **Region 2:** Employees in Benton, Clackamas, Clatsop, Columbia, Deschutes, Hood River, Jackson, Josephine, Lane, Lincoln, Linn, Marion, Multnomah, Polk, Tillamook, Wasco, Washington and Yamhill counties would earn \$13.50 per hour by 2022.
- **Region 3:** Workers within Portland’s Urban Growth Boundary would see their wages increase to \$14.75 by 2022

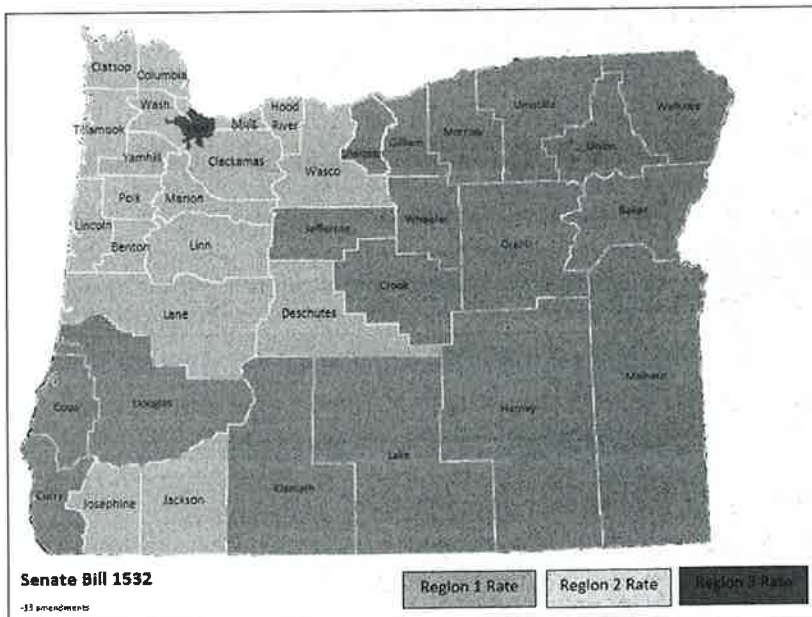
Selection of Regions Based on Self-Sufficiency Data

The rural counties with the lower minimum wage rates were selected using county-level demographic analysis data.

The Self-Sufficiency Standard for Oregon¹ describes how much income families of various sizes and compositions need to make ends meet without public or private assistance in each county of Oregon. The standard incorporates local costs for everyday goods and services into a specific wage that captures the cost-of-living in a particular county. It takes into account basic needs including housing, childcare, food, transportation, healthcare and miscellaneous items like clothing. It does not factor in purchases considered “extras” in a personal budget: eating at a restaurant, vacations, entertainment, recreation, etc.

The use of the Self-Sufficiency Standard to determine the makeup of Region 1 acknowledges the reality that costs of living are very different in locations across Oregon. For example, the 2014 Self-Sufficiency Wage (hourly) for a single adult in Malheur County is \$8.25, while for a similar person in Benton County it is \$9.64. Almost all of the counties in Region 1 have an annual 2014 Self-Sufficiency Wage that falls below 185% of the Federal Poverty Level, meaning that dollars go further in these counties than they do in Regions 2 and 3.

Proposed Minimum Wage Rates by Region & Year



	Region 1	Region 2 (Base)	Region 3
July 2016	\$9.50	\$9.75	\$9.75
July 2017	10.00	10.25	11.25
July 2018	10.50	10.75	12.00
July 2019	11.00	11.25	12.50
July 2020	11.50	12.00	13.25
July 2021	12.00	12.75	14.00
July 2022	12.50	13.50	14.75
July 2023	Base - \$1.00	+ CPI	Base + \$1.25

¹ Pearce, Diana M. The Self Sufficiency Standard for Oregon 2014. University of Washington Social Work. October 14. <http://depts.washington.edu/selfsuff/docs/Oregon2014.pdf>