

## Sen Boquist

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**From:** Theguys Insomnia <theguys@insomniacoffee.co>  
**Sent:** Friday, January 29, 2016 3:18 PM  
**To:** Sen Boquist  
**Subject:** Minimum Wage Proposal Impact on Small Businesses

**Categories:** Action Completed, Print

Dear Senator Boquist,

I understand that a Minimum Wage Bill is up for your approval/disapproval during this legislative session. This letter is to help you understand my perspective, and that of many of my small-business colleagues, about the damage a dramatically increased Minimum wage would have on the Oregon economy...more damage than I think many of the legislators realize otherwise this proposal would not be up for a vote. Perhaps this proposal is politically charged, which is unfortunate because it will impact lives and livelihoods. Please take a moment to understand this voter's viewpoint on a purely economical issue.

So who am I to be suggesting that this proposal is not a pot-of-gold that will solve all our wage problems? I'm the owner of three community coffeeshops and coffee roastery in the suburbs of Portland. We employ close to 50...some of which are, yes, minimum wage earners, but more importantly they're like family to us. We give them opportunities for promotion, career development and personal growth. Here is exactly how this proposal would affect us:

We work in a service-oriented industry where profit margins are competitively tight. Payroll and payroll taxes currently account for 32.1% of our annual income and a much higher minimum wage will negatively affect our business, forcing us to increase our prices dramatically, cut back employee hours and even lay off some employees. It would mean our customers get less amenities for much higher prices...and this is not just us; it would affect everyone in our industry in Oregon. On the face value, our payroll would increase by \$387,391.90 annually and that's JUST the increase (assuming the business officers do NOT have any pay increase). With payroll taxes involved, it would bring the percentage to 54.8% (!) of our annual income, making us scramble to cover all the other business expenses with the little remaining dollars. This is extremely unfriendly to small businesses like ours. Our ultimate decisions would be to create less jobs, serve a sub-par product, charge our customers a much higher price, close our doors completely or all of the above. In a state that says it's excited about small businesses and shopping locally, supporting a \$15/hr minimum wage would be a black-eye on this legislature and drive entrepreneurs elsewhere.

I truly appreciate the desire to provide for the "smaller guy" and help those who could actually use a leg up. We are very involved in our community, not only serving customers but volunteering time and money for the less fortunate...it is a real passion of ours. But, in all reality, this proposal would negatively affect those who need the help the most...by injuring the very people who can do some of the most good to solve this exact problem: small businesses.

We are concerned about the minimum wage earner that is trying to support a family. Understandable. But the reality: that "person" is only 1% of minimum wage earners (US Census and US Dept of Labor). Let's come up with a solution that truly helps them! I'm concerned for those individuals as well! When hyper-inflation, which is essentially what the proposal is, kicks in, that minimum wage dollar will be drastically devalued once groceries, rent and other living expenses catch up. The only winner in this scenario is the Government, thanks to a new (and massive) revenue stream of income taxes.

I'm sure I'm not the only person sharing information like this with you so I'll limit this letter so as to not inundate you with too many numbers and statistics that others will share. Instead, picture this: you go into your preferred coffeeshop to purchase your favorite latte. Your personable baristas, the ones who know your name, ring you up and start creating your beverage. When you go to pay, you notice a 20% surcharge on your bill and no way to tip the staff. This unpleasant circumstance is already happening in Seattle and will become commonplace in Oregon if this proposal was to become law.

Please resist the temptation to be swept away by the shiny surface concept of just giving a hard worker more money. Let's instead come up with a good plan to help those hard workers earn more and achieve bigger life goals by providing opportunities for growth through supporting small businesses in Oregon.

Stars and lightning bolts,  
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