

**For Immediate Release**

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## **Over 100,000 Oregonians Get Pay Raise on New Year's Day**

More than 100,000 low-paid Oregon workers will get a raise starting in the new year, when a 30-cent increase to the state's minimum wage takes effect.

The increase from \$8.50 to \$8.80 starting on January 1 will mean an extra \$624 a year for a family with one full-time minimum wage worker, according to the Oregon Center for Public Policy.

"A strong minimum wage is good for workers and good for Oregon's economy," said OCPP executive director Chuck Sheketoff. "It helps the lowest-paid workers make ends meet, and it helps the economy when the workers spend those extra dollars in local businesses."

Two recent estimates show the breadth of Oregon workers getting a raise next year. The Oregon Employment Department Oregon calculated that about 137,000 jobs in the state paid less than \$8.80 per hour in the first quarter of 2011, jobs that would be affected by the increase. The leisure and hospitality industry and retail trade account for 6 out of 10 of the jobs affected.

Separately, the Washington, D.C.-based Economic Policy Institute estimated that 143,000 Oregonians would benefit directly from the minimum wage increase. The institute noted that another 19,000 Oregon workers currently earning just above the new minimum wage would likely see their paychecks increase as employers adjust their overall pay structures to reflect the new minimum wage.

The minimum wage increase is the result of Measure 25, approved by voters in 2002. The measure pegged Oregon's minimum wage to the cost of living, as defined by the Consumer Price Index (CPI). The index rose 3.6 percent from August 2010 to August of this year, the time period used to calculate the minimum wage for 2012.

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“The increase reflects the fact that costs have risen and allows minimum wage workers to maintain much of their purchasing power,” said Sheketoff.

Even with the increase set to take place, Oregon’s minimum wage will not have recovered its purchasing power peak of 35 years ago. In 2011 dollars, Oregon’s minimum wage reached \$9.09 in 1976, almost 60 cents per hour higher than the current minimum wage.

Still, Oregon is set to retain the second highest minimum wage among all states, trailing only Washington state. Oregon’s northern neighbor, which also pegs its minimum wage to the cost of living, will see its minimum hourly wage rise to \$9.04 on January 1.

Oregon is one of 18 states plus the District of Columbia with a minimum wage above the federal minimum wage of \$7.25 per hour, which is not scheduled to increase.

Oregon enacted the nation’s first state minimum wage and hour law in 1913 through the work of Caroline Gleason, who later became Sister Miriam Theresa.

“A growing body of research supports the view of increases in the minimum wage as an economic boost that does not dampen job creation or raise costs to consumers,” Sheketoff said. “The \$624 in additional pay for a full-time worker is modest and predictable.”

The Oregon Center for Public Policy is a non-partisan research institute that does in-depth research and analysis on budget, tax and economic issues. The Center’s goal is to improve decision making and generate more opportunities for all Oregonians.