



News Release

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Oregon's Minimum Wage Hike Defies Bush Economic Agenda **"Congress Should Raise Wage for All Americans"** **Farmers' Complaints "Hogwash"** **Restaurant Owners' Complaints "Slop"**

(Silverton, Oregon) On New Year's Day when Oregon's minimum wage will jump 20 cents to \$7.25 per hour, it will "defy the Bush Administration's economic agenda that has favored the wealthy at the expense of low- and moderate-income Oregonians, the majority of Oregonians" according to the Oregon Center for Public Policy, a non-profit research group based in Silverton.

In November 2002 Oregon voters enacted a ballot initiative that increased the minimum wage and indexed the minimum wage to inflation. Today, Oregon Labor Commissioner Dan Gardner announced that the minimum wage will increase from \$7.05 to \$7.25 on January 1, 2005.

The public policy institute and Gardner both noted that over the long-term Oregon's minimum wage has not kept up with inflation. Even with this increase, the purchasing power of Oregon's minimum wage remains below levels seen in the 1960s and 1970s.

"Oregonians bucked the trend out of Washington, D.C. and gave a small but important boost to low- wage workers," said Chuck Sheketoff, executive director of the Oregon Center for Public Policy. "While Bush Administration tax cuts have favored the wealthy few, Oregonians' minimum wage hike favors thousands of hard-working low- income families," he added.

"Families working at or close to the minimum wage find it harder to make ends meet each year because prices go up. Indexing the minimum wage to inflation stops the erosion of its value," noted Sheketoff. "This is a family- friendly policy that has always enjoyed the strong support of Oregon voters."

A full-time worker at the new minimum wage will earn \$15,080, or \$416 more a year than under the current minimum wage. This is still \$590 less than the poverty level for a three-person family.

Many workers with incomes slightly above the minimum wage will also likely see increases as employers revise their wage schedules. "Increasing the minimum wage doesn't just help those at the very bottom," said Sheketoff. "It boosts others a baby step up the income ladder."

Sheketoff called on Congress to raise the federal minimum wage. "Congress ought to take a lesson from Oregon and raise the minimum wage," he said, noting that the federal minimum wage has been only \$5.15 since 1997.

Sheketoff noted that agricultural and restaurant interests repeatedly try to get the Legislature to overturn the voter-approved minimum wage.

"The Farm Bureau's claim to the Legislature that the minimum wage increase is wreaking havoc on their industry is hogwash," said Sheketoff.

Sheketoff pointed to recent data from the Oregon Department of Agriculture which shows that in 2003, a down year for Oregon's economy, Oregon farmers enjoyed their best bottom line since 1998.

"On average, Oregon farmers and ranchers made more money in 2003 than any year since 1998, and Oregon's net farm income for 2003 was up 27 percent from the previous year," noted Sheketoff. "That's proof-positive that agriculture can grow profits with a minimum wage that keeps up with inflation."

"The Oregon Restaurant Association's complaints about the Oregon minimum wage are also slop," said Sheketoff.

Sheketoff pointed to a recent report from the National Restaurant Association projecting that Oregon restaurant sales are expected to increase 4.8 percent next year. The National Restaurant Association also projects restaurant industry employment to grow 14.5 percent from 2004 to 2014. "The national association data shows that the annual increases in Oregon's minimum wage will feed a healthy growth in restaurant sales and employment," he concluded.