

ORLA FERVENTLY OPPOSES GOVERNOR'S MINIMUM WAGE PROPOSAL

A \$13.50 statewide minimum wage with a higher rate in Portland results in a minimum of 55,000 job losses for Oregonians who need jobs the most

[Jan. 14, 2016 - Wilsonville, OR] – With Governor Kate Brown's release today of a proposed dual-region minimum wage increase plan, Oregon Restaurant & Lodging Association (ORLA) is very concerned over the significant likelihood of job losses and economic instability for small businesses throughout the state. The graduated rate increase proposal, which would take effect January 2017 and top out at \$15.52 for Portland and \$13.50 for the rest of the state, does not include a tip credit provision that 43 other states use to calculate wages for tipped employees.

"The Governor's proposal without inclusion of a tip credit will result in tens of thousands of job losses in our great state," said Jason Brandt, President & CEO of ORLA. "At \$13.50, it is estimated that Oregon job losses will total 55,000 according to [Economics International](#), a consulting firm based in Portland specializing in economics and finance, as a result of this flawed policy." Brandt goes on to say, "That equates to a reduction in wages and salaries of \$6.2 billion which will have significant impacts on Oregon's income tax revenues."

The comprehensive study confirms that reduced employment rates increase poverty in the state. While it is clear that Governor Brown is trying to improve the well being of Oregonians facing tough times, this proposal will not solve the challenges of poverty. "With an additional 55,000 Oregonians out of work due to this faulty proposal, the very people our Governor intends to help won't have enough money for food, child care, and rent because they won't have jobs. For those that do have jobs at the newly established rate, they will experience increased prices for all of these essentials," added Brandt.

ORLA has proposed a tip credit at the current minimum wage rate of \$9.25, meaning that any minimum wage increase at \$13.50 or \$15 would result in restaurant and lodging workers making the new minimum wage rate through a combination of hourly pay and tip income.

If Oregon lawmakers pass a \$13.50 minimum wage without a tip credit, it will mark a sad day for Oregonians who need jobs the most. The Governor's proposal is far from a solution. The solution is more jobs for Oregonians, not job cuts.

For more information on ORLA's solution to protect hospitality jobs, review the [Tip Credit sheet](#) developed to help educate all 91 elected officials serving Oregonians.

"Impacts of Increasing Oregon's Minimum Wage"

Economics International Corp., Eric Fruits, Ph.D., President & Chief Economist, January 12, 2015.

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The Oregon Restaurant & Lodging Association is the leading business association for the foodservice and lodging industry in Oregon, which is comprised of over 9,000 foodservice locations and 2,200 lodging establishments with a workforce of 164,800, and a total economic impact of \$8 billion - making it the cornerstone of the economy, career opportunities and community involvement. The association works to advocate, protect, train and promote the foodservice and lodging industry.