



## SENATE MAJORITY OFFICE

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### NEWS RELEASE

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#### **Senate Democrats propose three-region minimum wage solution**

*Proposal takes into account rural Oregon's economic realities*

SALEM – Today Sen. Michael Dembrow (D-Portland) unveiled a new Oregon minimum wage proposal which divides the state into three regions. The three-region plan addresses the needs of rural Oregon while still helping all Oregonians who are struggling to get by.

“This proposal is similar to the Governor’s in that it is meaningful legislation to improve the quality of life of some of our most vulnerable workforce populations,” Dembrow said, “while taking into account the economic realities of rural Oregon communities.”

The proposal would raise the minimum wage gradually over six years to three different levels, based on geographic areas, which include the following:

- Workers within Portland’s Urban Growth Boundary would see their wages increase to \$14.75 by 2022;
- 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; and
- 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.

After 2022, the wage would for the middle level would serve as the base and increase annually based on the Consumer Price Index. Areas with the lowest minimum wage would be \$1 below

the adjusted base rate and those in the Portland metro area would earn \$1.25 more than the base. With the high cost of living in urban parts of the state, this bill will give struggling Oregonians the economic boost they need to make ends meet while taking into account the economic realities of rural Oregon.

The non-urban counties which would have the lowest minimum wage were selected using county-level demographic analysis data. The standard defines the amount of income necessary to meet the basic needs of Oregon families, differentiated by family and where they live. It takes into account basic needs including housing, childcare, food, transportation, healthcare and miscellaneous items like clothing.

“This bill addresses the minimum wage issue as it relates to rising cost of living statewide,” Dembrow said. “We also are taking into account the fact that different parts of Oregon are more economically advantaged than others and we need to have a minimum wage structure that addresses those realities. This is a good compromise on weighing those issues.”

Oregon is one of 29 states, and the District of Columbia, with a minimum wage, which at \$9.25 is higher than the federal minimum wage of \$7.25. Even though it’s higher than the federal minimum wage, Oregon’s current amount has less purchasing power than the minimum wage in 1968, when adjusted for inflation. Minimum wage jobs are disproportionately represented in the leisure and hospitality, natural resources and retail sectors which make up a large portion of Oregon’s economy. Oregon currently has the ninth highest minimum wage in the country.

An Oregon worker earning minimum wage at a full-time job takes home just \$19,000 a year, which is not nearly enough to afford housing, food, gas and other family necessities; let alone save for the future. One in four Oregon workers brings home less than \$25,000 per year. Researchers at the University of Oregon’s Labor and Education Research Center found that of the nation’s low-wage workers, 88 percent are adults older than 20; 75 percent are women; 20 percent are people of color; and 27 percent are parents.

“Sen. Dembrow has worked diligently to improve the lives of minimum wage workers while recognizing the different economic circumstances that exist in our state,” Senate Majority Leader Ginny Burdick (D-Portland) said.

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