

MINIMUM WAGE INCREASE FOR OREGON



The minimum wage for the state of Oregon increases by 30 cents on January 1, 2012. Local employers say that the increase will stretch the budget but it will not break the budget of their companies, according to the Seaside Signal. The Oregon Bureau of Labor and Industries announced back on September 15, 2011 that the minimum wage for the state would increase from \$8.50 per hour to \$8.80 per hour on January 1, 2012 as a part of the state's annually adjusted rate since the year 2002. The increase is expected to offset the impact of inflation on low-income workers and is based on the August Consumer Price Index. There are nine other states in the country that will increase their minimum wages when the calendar turns this weekend. There were close to 137,000 jobs in the state that paid less than \$8.80 per hour, according to state payroll data for the first quarter of 2011. Those jobs will be affected by the increase, since that number is roughly 8.2 percent of Oregon jobs that are covered by unemployment insurance. "Leisure and hospitality is one of the industries that has a higher concentration of minimum wage jobs and since we have a higher percentage of this industry on the coast, the rise in the minimum wage would likely have a higher impact on this region," said Shawna Sykes, a workforce analyst with WorkSource in St. Helens. Those working a 40-hour week, 52 weeks per year in Oregon at the minimum wage of \$8.80 will make \$352 per week, which comes out to \$18,304 per year. This is an increase of \$624 over last year. "[The minimum wage increase] obviously does impact the wages of employees in positions that pay that level of wages," said Sykes from WorkSource. Most companies that hire workers at minimum wage typically give those workers a raise within the first couple of months of employment. "Usually my minimum wagers are the lowest productive employees. If they are here more than 6-8 months and they are still earning minimum wage, something is wrong," Joe Smith, a McDonald's manager in Seaside said. "We expect that after six months they should be able to perform to where I can say, 'Nice job. Here's some more money.'" Nick Beleiciks, a state employment economist, performs research on minimum wages and other economic factors. "Research on the effects of minimum wage is inconclusive because other economic factors that drive hiring decisions tend to override the effects of minimum wage," he said. "You can search Google and probably find about an equal number of reports that show increases in minimum wages either decreases employment or does not decrease employment, but the area and time frame being studied will also drive those conclusions."

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