



For Immediate Release

September 15, 2006

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Gardner Announces a 30-cent Cost of Living Increase for Oregon's Minimum Wage Workers

Portland--- Oregon Labor Commissioner Dan Gardner announced today a 30-cents-per-hour, cost-of-living increase effective January 1, 2007 for Oregon's minimum wage workers. As a result, Oregon's minimum wage, currently the second highest in the nation, will rise from \$7.50 per hour to \$7.80 per hour.

"The rising cost of living makes a serious dent in many workers' paychecks but it hits the lowest paid in the worst way," Gardner said. "Oregon's minimum wage law makes sure these workers wages keep pace with rising costs. It is critical for our local communities that wages and incomes also rise to help stabilize our state economy."

Despite the continued struggle with poverty of many working Oregon families, Gardner noted that this year 10 state legislatures have increased their state minimum wage rates above the federal rate, bringing the number of states with higher minimum wage rates to 23 states in addition to the District of Columbia. Recently, both California and Massachusetts raised their minimum wage rates to \$8.00 an hour starting in 2008. In addition, ballot measures this fall in six other states are proposing to raise their minimum wage rates.

"Once again, Oregon is leading the way," noted Gardner "I am pleased many states are now raising their minimum wage rates to allow folks to catch up with rising costs as we do annually here in Oregon. States need to be able to continue to have a strong say here and we can't let Congress take our states' rights away. Some in Congress cynically tried to raise the federal rate while trading away states' rights."

In November 2002, Oregon voters passed Ballot Measure 25, which requires the Labor Commissioner, who directs the Bureau of Labor and Industries, to annually adjust the minimum wage for inflation based on increases in the Consumer Price Index (CPI). The annual adjustment is to be calculated every September, rounded to the nearest five cents and becomes effective the following January. The CPI increased by 3.8 percent which translates into a 30-cent-increase under this formula.

The United States Bureau of Labor and Statistics publishes the CPI, a measure of the average change in prices over time on a fixed “market basket” of goods and services, such as food, shelter, medical care, transportation fares and other goods and services people purchase for day-to-day living.

“It is an important time to remember that almost every dime of these workers’ pay goes directly to local businesses for food, gas and clothing,” said Gardner “This cost of living increases helps them meet their families’ needs on their own.”

Gardner, who fought efforts to repeal the annual cost of living adjustment during the 2005 state legislative session, pointed out that earnings for minimum-wage workers continue to fall short of the federal poverty line – calculated by the U.S. Census Bureau for 2005 at \$19,806 for a family of four, with two children under 18 years of age. A minimum-wage worker in Oregon supporting a four-person family by working full-time year-round earned \$15,600 in 2006. In addition, U.S. Census Bureau data released this year showed the typical Oregon household’s median income has fallen \$4,638 in inflation-adjusted dollars since 1999-2000.

“Unfortunately, the data continues to show that despite the state’s job growth – ranked 6th in the nation in 2005 - many Oregon families are not gaining ground when it comes to wages and income,” noted Gardner.

In 1996, voters approved a ballot measure that gradually increased the minimum wage by \$1.50. That increase was phased into place in 50-cent increments through January 1999. The passage of Measure 25 increased Oregon’s minimum wage of \$6.50 per hour to \$6.90 per hour effective January 1, 2003.

The federal minimum wage remains \$5.15 per hour and has not increased since 1997.

Currently, Oregon’s minimum wage is the second highest in the nation behind the state of Washington. Washington is expected to make its annual inflation adjustment to its current minimum wage of \$7.63 per hour at the end of September.

Employers will receive a poster reflecting the new rate in December in time to post it on January 1, 2007. New posters will also be available for downloading on the BOLI website in December.

Background Information on the Minimum Wage:

Consumer Price Index Information, Bureau of Labor and Statistics, DOL

<http://www.bls.gov/cpi/home.htm#news> or <http://www.bls.gov/news.release/pdf/cpi.pdf>

Oregon Employment Department

http://www.qualityinfo.org/olmisj/ArticleReader?itemid=00003967&segmentid=0002&tour=0&p_date=1&p_search=minimum+wage&searchtech=1

Bureau of Labor and Industries, Wage and Hour Division

<http://www.boli.state.or.us/BOLI/WHD/index.shtml>

Ballot Measure 25 (Law, Explanatory Statement, Opponents and Supporters)
<http://www.sos.state.or.us/elections/nov52002/guide/measures/m25.htm>