

Clatsop County businesses seek to attract more workers

By LUKE WHITTAKER

Coast River Business Journal

CLATSOP COUNTY — In 2019, a full-time minimum wage earner in Clatsop County working a 40-hour week earned \$23,400 annually before taxes, a number that will rise to \$24,960 beginning July 1, 2020, when minimum wage increases from \$11.25 to \$12.00, a 7% increase.

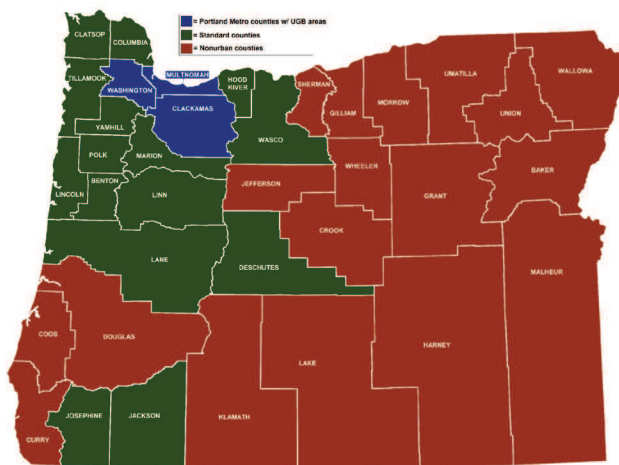
The standard minimum wage in Oregon has increased in 50-cent increments each summer annually since 2016, from \$9.75 to the eventual \$12 anticipated this summer, as part of Senate Bill 1532. The rate will ramp up to 75-cent increments starting in 2020 until 2022, when it reaches \$13.50.

Small minimum-wage workforce

Clatsop County has one of the smallest pools of minimum-wage workers in Oregon, only about 5% of the workforce.

“Our wage data indicated that only 5.7% of Clatsop County’s jobs paid minimum wage,” said Shawna Sykes, Workforce Analyst/Economist for the Oregon Employment Department Research Division.

“Because the labor market has been pretty tight, many employers are offering higher than minimum wage to



The current minimum wage in Clatsop and other “standard” counties is \$11.25, increasing on July 1 to \$12.

attract applicants, even for entry-level positions. They are also offering sign-on bonuses, retention bonuses, referral bonuses and other benefits and incentives to entice workers.”

Despite the incentives, employment growth in the

county slowed last year.

“Employment growth slowed in 2019,” said Erik Knoder, regional economist for the Oregon Employment Department.

“The last news release noted that the county added 40 payroll jobs over the year. There was no significant change in the low unemployment rate.”

A raise in the minimum wage this summer is likely to boost pay for others earning a similar salary.

“One direct impact of increasing the minimum wage has been to increase wages of people working lower-wage jobs,” Knoder said.

The share of jobs paying minimum wage in Oregon ranges from a low of 3.5 percent in Morrow County (279 jobs) to a high of 12.4 percent in Harney County (331 jobs), according to figures from the Oregon Employment Department.

Seventeen counties had a share of minimum-wage jobs at or below the statewide share of 7.3 percent. The smallest shares were in Morrow County (3.5%), Hood River County (4.1%), Deschutes and Clatsop counties (5.7%).

Eastern Oregon had a greater share of minimum-wage jobs than other areas of the state. The highest shares of minimum wage jobs were found in Harney (12.4%), Malheur (12.1%), Wheeler (11.8%), and Sherman (10.0%).

Pacific County businesses weigh in on minimum wage increase

Washington minimum wage now \$13.50

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PACIFIC COUNTY — In 2019, a full-time minimum wage earner in Pacific County working a 40-hour week earned \$24,960 annually before taxes. In 2020, that same worker will earn \$28,080, a 12% increase, a result of the recent raise in the standard minimum wage from \$12 to \$13.50, which started January 1.

The retail, accommodation and food service industries have the highest percentage of minimum-wage workers, according to figures from the Washington Regional Economics Project, and are likely to be impacted the most as a result.

“I don’t think the raise in the minimum wage will have much impact on the local economy as many business owners have been preparing for this increase,” said Jim Vleming, regional labor economist for the Washington Employment Security Department.

“The Pacific County numbers have remained fairly steady. The unemployment

rate has risen slightly but that has been the case in other rural counties as well.”

Employee expectations

Russell Maize, owner of several gift shops and restaurants including Beachcombers, Castaways, Columbia River Roadhouse, Stormin Normans and Long Beach Amusements, is taking a more cautious approach to hire more capable staff this season as a result of the recent increase in minimum wage.

“I would like to think we’re going to be more conscientious of who we hire,” Maize said.

“We’re going to have a higher expectation. We’re hoping that the increased wage will also bring an increased work ethic.”

Maize plans to wait and see the impact before making any changes to help offset the cost.

“The last thing we want to do is increase the price of goods to offset that,” he said.

“So to prepare for it... You can’t. You’re not going to go in and re-price things. Eventually that may happen but at first you’re just going to wait and see

what the impact is on the bottom line after about a year.”

Maize said they didn’t raise prices to offset the cost of the previous wage increase, when it bumped up 75 cents in 2019, however he’s adamant about taking a more proactive approach to the hiring process.

“We are not going to allow the mediocrity that we have maybe allowed in the past,” he said.

“We’re expecting a different caliber of applicant and worker. We like to pay better than minimum wage, a fair wage for fair work. We believe in compensation for contribution.”

Currently the only minimum-wage workers Maize employs are servers.

“We have about 25-30 people, depending on the time of the year. In the summer it goes up to 80,” said manger Trisha Agnitsch.

“In the summer we hire a lot of entry-level people, but this time of the year we don’t have any minimum-wage workers.”

Tight labor pool

Tiffany and Brady Turner own and operate several boutique hotels and restaurants on the Oregon and Washington coast including The Inn at Discovery

Coast, Adrift Hotel & Distillers, Pickled Fish, The Shelburne Hotel, Ashore Hotel and Boardwalk Cottages.

The Turners currently employ between 90 to 120 staff seasonally, which include around 10 minimum-wage staff.

As a result of the recent minimum wage increase in Washington, from \$12 to \$13.50, they increased wages for all employees ‘at or just above \$13.50.’

The increased costs prompted some adjustments in their restaurant and hospitality staff.

“We had already made some significant adjustments to pricing and business model when minimum wage was passed in the restaurants,” Tiffany said.

“In the hotel, we have implemented a resort fee to help pay for some of our added amenities (we just built a pool, sauna and spa). Although some of this is going to hard costs for the amenities, about half of it will be going to wages.”

Finding and retaining committed staff remains elusive for coastal businesses, including the Turners.

“We are always trying to hire, train, and retain talented people who believe in our vision,” Tiffany said.

“In our coastal economy, the labor pool is small and this is always a challenge.”