

# OPINION

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The Portland Observer

USPS 959-680

Established 1970

4747 NE Martin Luther King, Jr. Blvd.,  
Portland, OR 97211

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POSTMASTER: Send address changes to Portland Observer PO Box 3137, Portland, OR 97208  
Periodical Postage paid in Portland, OR Subscriptions are \$60.00 per year

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## Promoting Basic Values

### It is time to raise the Oregon minimum wage

BY JEFF THOMPSON

If the polling is accurate, on Nov. 5 Oregonians will vote by a sizeable majority to increase the minimum wage to \$6.90 and index it to inflation thereafter.

Voters should rest easy knowing that their vote to raise the minimum wage will not, contrary to claims made by the opposition, harm Oregon's anemic economic recovery.

As the Oregonian recently noted, voters "don't seem swayed" by the opposition's story of job loss and economic ruin. Why is that? The opposition case is unpersuasive because Oregonians have seen first hand that minimum wage increases do not cause job losses, whether the economy is good or bad.

Voters are intelligent enough to know that the states' current high unemployment rate has nothing to do with the minimum wage. Economic research on minimum wage increases repeatedly finds that their impact on jobs ranges between slightly negative to slightly positive, but centers on "zero," as recently summarized by labor economist Jared Bernstein.

Oregonians will recall the "sky is falling" claims of the opponents of the last minimum wage increase, and know that they did not come true. Repeated examination has failed to yield evidence of jobs losses from the last time Oregonians voted to increase the minimum wage.

Why would it be different this time? "It's the recession," opponents scream. Those with longer memories will recall that the Oregon and the Federal minimum wages were raised during the recession of the early 1990s, doing little to impede the long economic expansion that followed. Between 1989 and 1999, Oregon's minimum wage rose five times, and the state added 385,000 jobs, growing 3.2 percent annually.

Research by two of the country's top minimum wage experts, economists David

Card and Alan Krueger, showed that raising the federal minimum wage in the early 1990s did not result in adverse effects on employment. The idea that we shouldn't raise the wages of very low paid workers because of a slow economy is not supported.

Still weaker is the notion that Oregon's relatively high unemployment rate is related to the current minimum wage. Anybody making even a meager attempt to track Oregon's economy knows that the workers who have lost their jobs are concentrated in durable manufacturing, high-tech, construction, and related service industries - not exactly folks getting paid the minimum wage or even close to it.

*Owners want the freedom to be able to pay as little as they can get away with.*

The chief industry affected by a minimum wage increase, restaurants, is currently one of the fastest-growing, adding more jobs than any other industry in Oregon, up 3,200 from a year ago.

Restaurant owners oppose the minimum wage because they don't want to have to pay their workers higher wages. This, however, is the

crux of the issue. Owners want the freedom to be able to pay as little as they can get away with. Oregon voters, however, have said that there should be minimally acceptable pay standards for workers. And now, as the value of the minimum wage has been eroded by inflation, it is time to raise it again.

The opponents of the minimum wage oppose it in good economic times and bad. They oppose it despite the lack of evidence of job loss. Support or opposition to increasing the minimum wage is not about economics, but rather basic values. And, on this issue, Oregon voters have repeatedly made it clear where they stand.

Jeff Thompson is a labor economist and policy analyst with the Oregon Center for Public Policy. He can be reached by e-mail at [jthompson@ocpp.org](mailto:jthompson@ocpp.org).

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## Letter to the Editor: Supporting Minority Business

As the nation celebrates Minority Enterprise Development Week it is important to recognize those local agencies and programs that have been developed to support businesses owned by people of color. This region has a small but growing population of people of color who wish to participate in the economic base.

We appreciate those public agencies that have been taken a leadership role in developing programs that provide access and assistance to us.

Two local programs have really risen to the occasion, the Sheltered Market Program operated by the City of Portland and the Mentor/Protégé Program operated by the Port of Portland. These programs are designed to meet the needs of small businesses. Both focus on building capacity and teaching skills necessary to run a profitable business.

The Sheltered Market Program, developed by the city and used by the Portland Development Commission and Multnomah County, provides access to smaller construction projects and technical assistance. The Mentor/Protégé program provides for direct assistance from prime contractors who volunteer their time to work with the small contractors providing the benefit of their experience and expertise.

We believe these programs are instrumental in moving small business in the direction of profitability and sustainability.

We want to take this opportunity to thank the City of Portland and the Port of Portland for their efforts to create a fair and level playing field and to include all segments of the population in their contracting activities.

*Maurice Rahming, president, O'Neil Electric Inc.*

*Rhonda Herschell, president, Cherokee General Corp.*