

# Herald Business

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## Business owners worry about wage hike

By **JADE McDOWELL**  
Staff Writer

If Oregon's minimum wage rises to \$15 an hour, more than half of Umatilla County workers are in for a raise.

A 2015 report by economist Dallas Fridley estimated 52 percent of Umatilla County's workforce currently earns less than that, as well as 43 percent of Morrow County workers.

While those workers might relish the thought of a jump in pay, many business owners are worried about how they will pay for it.

Sam Jackson, owner of Crazy Mike's Video in Hermiston, said proposals to raise minimum wage from \$9.25 an hour to \$13.50 or \$15 could mean she would have to "kiss the business goodbye."

"I would probably have no employees other than myself," she said.

Jackson currently has two employees in addition to some help from workers in a job training program. If minimum wage skyrocketed, she said, so would her costs, and she would have to cut business hours and raise prices to compensate, which would likely result in a decrease in customers.

According to Fridley's report, nearly 90 percent of workers in the hospitality industry in Umatilla County make less than \$15 an hour. Vijay Patel, owner of the A-1 Hospitality Group that manages several area hotels, said a minimum wage hike would mean increased room prices and layoffs.

A business paying 25 employees \$9.25 an hour can only afford to pay 16 employees \$15 an hour, he said.

If prices for hotels, gas and food are cheaper across

the Washington border, Patel said, it could mean losing business to the Tri-Cities and Walla Walla.

"If someone is staying in Hermiston, they might say, 'We might as well drive another half hour and get a better rate,'" he said.

One idea being floated by the legislature and Gov. Kate Brown is to divide the state into regions.

According to data compiled by the National Low Income Housing Coalition, in Umatilla County a renter would need to make \$10.67 an hour at 40 hours a week to afford to live in a one-bedroom apartment at the fair market price of \$555 a month. They would need to make \$14.25 an hour to afford a two-bedroom apartment at \$741 a month.

The coalition estimates a worker could afford a one-bedroom apartment in Morrow County mak-

ing \$9.13 an hour and a two-bedroom apartment at \$12.37 an hour.

In Multnomah, Washington and Clackamas counties the same worker would need to make \$15.25 an hour to afford a one-bedroom apartment and \$18.15 to afford the average two-bedroom apartment.

Only 6.9 percent of Umatilla County workers made minimum wage, according to data from the Oregon Employment Department. But even employers who pay more than minimum wage expect that a wage hike will affect their bottom line.

Joseph Franell, CEO of Eastern Oregon Telecom, said he pays his employees — all skilled laborers earning more than minimum wage — according to telecommunications industry standards. He said he didn't see how an employee making \$16 or \$17 an

hour would be content with their wages if for unskilled laborers started making \$15 an hour.

"Suddenly you're saying someone 16 years old with no work experience is worth \$15 an hour," he said. "I'm absolutely confident there will be pressure to raise wages higher."

To compensate his employees fairly for their level of skill and experience, he would have to invest less in the company's future, cut employees or raise the cost of service.

"Nothing's free," he said. "If you raise minimum wage by 50 percent, someone has to pay for that."

Lou Lyons, owner of Elmer's Irrigation & Supplies, said a wage hike would be detrimental to farmers, who are some of his biggest customers.

"If things get tight with the farmers ... they will spend less money," he said.

Proponents of the wage hike argue that it will pay for itself because workers who suddenly have a bigger paycheck will respond by spending more money at local businesses. But Lyons said many minimum wage workers won't run out and buy irrigation equipment with their extra cash.

Some businesses that hire mostly unskilled workers have taken the initiative to raise wages on their own in recent years.

Wal-Mart made headlines a year ago when it announced it was raising its internal minimum wage to \$9 an hour in 2015 and \$10 an hour in February 2016. The move made less of an impact in Oregon, where the minimum wage was already \$9.25 an hour, but workers who weren't affected by the 2015 increase will see their pay bumped up to at least \$10 an hour next month.

### BRIEFCASE

#### Health insurance deadline Jan. 31

Do you have health insurance yet for 2016? If not, time is running out to enroll and you may pay a penalty if you are uninsured this year.

Open enrollment lasts through Jan. 31. You and also change your health plan through the end of the month.

According to the Oregon Department of Consumer and Business Services, anyone who isn't enrolled in a health plan by the deadline will have to pay a penalty when paying taxes for 2016.

The penalty for not having insurance in 2016 is either 2.5 percent of your yearly household income or \$695 for every adult in your family plus \$347.50 for every child under 18, whichever is higher.

For example it could cost \$2,085 for a family of four, with two parents and two children younger than 18, earning \$50,000 a year, as a penalty.

Oregonians can sign up, renew, or change their health insurance plans at HealthCare.gov. If you were already re-enrolled in your current plan, you can change plans through Jan. 31.

"If the price of your current plan has increased for 2016, it may be worth checking HealthCare.gov to see if you can find a less expensive plan or if you qualify for financial help," said Patrick Allen, director of the Department of Consumer and Business Services, which runs

the Oregon Health Insurance Marketplace.

Financial help is available for many people if they enroll through HealthCare.gov. Depending on their income, they may qualify for tax credits to help pay their monthly premium and help with out-of-pocket costs such as deductibles and co-pays.

Oregon has a network of insurance agents and community organizations that can help people enroll.

You can find an agent or community partner in your area by going to [www.oregonhealthcare.gov/get-help.html](http://www.oregonhealthcare.gov/get-help.html) or calling the Oregon Health Insurance Marketplace toll-free at 1-855-268-3767.

#### Gas price drops below \$2 per gallon locally

Gas prices have dropped below \$2 a gallon at most Hermiston area stations.

According to GasBuddy.com, the price for regular unleaded gasoline was \$1.999 or lower at most service stations in the Hermiston area as of Tuesday afternoon.

The lowest price reported locally was \$1.939 at both the Space Age and Pilot travel centers along Interstate 84 at exits 182 and 188 respectively.

The lowest price in Hermiston was reported at the 76 station on Hermiston Avenue at \$1.979.

Prices are even lower in Pendleton, with a price of

\$1.859 reported at the Sinclair station on Southgate as of Tuesday afternoon.

Statewide the average price for unleaded was reported at \$2.17 per gallon, according to GasBuddy.com, and trending downward. The current national average for regular unleaded is \$1.87 per gallon.

#### Higher Power Fitness sponsors contest for anniversary

Higher Power Fitness is celebrating its one year anniversary by trying to help Hermiston lose 1,000 pounds.

The fitness studio is sponsoring a "Biggest Winner: Ultimate Thinner" contest from Jan. 30 to March 13. The weight loss contest is for teams of five people, at least two of which must not be Higher Power Fitness members.

The cost to enter is \$250 for a team of five. Every participant gets a T-shirt and the team that loses the most weight over six weeks will win \$750.

Owner Cindee Henderson said teams are already signing up, including some workplace groups.

"New Years resolutions are real strong in the first two

weeks in January and this is just a way to say 'Hey, let's keep that going,'" she said.

The contest will kick off on Jan. 30, which is also the date of Higher Power Fitness's anniversary celebration. Community members are invited to visit the studio throughout the day and stay for a few 15-minute "samples" of the classes offered by the studio.

Henderson said the studio's goal is to help "real people" live a healthy lifestyle through nutrition and exercise, offering solutions like the studio's 30-minute express workouts during the lunch hour. She said Hermiston has been "extremely receptive" to Higher Power Fitness in its first year.

#### Blue Mountain Wildlife set annual meeting

The public is invited to the annual membership meeting of Blue Mountain Wildlife.

The meeting is Saturday at 1 p.m. at the First Christian Church, 215 N. Main St., Pendleton. Those attending should enter at the Bailey Street door.

Blue Mountain Wildlife is the largest rescue, rehabilitation and education organization serving Eastern Oregon and southeastern Washington.

The organization's Pendleton facility is located at 71046 Appaloosa Lane.

For more information,

contact 541-278-0215, [lynn@bluemountainwildlife.org](mailto:lynn@bluemountainwildlife.org) or visit [www.bluemountainwildlife.org](http://www.bluemountainwildlife.org).

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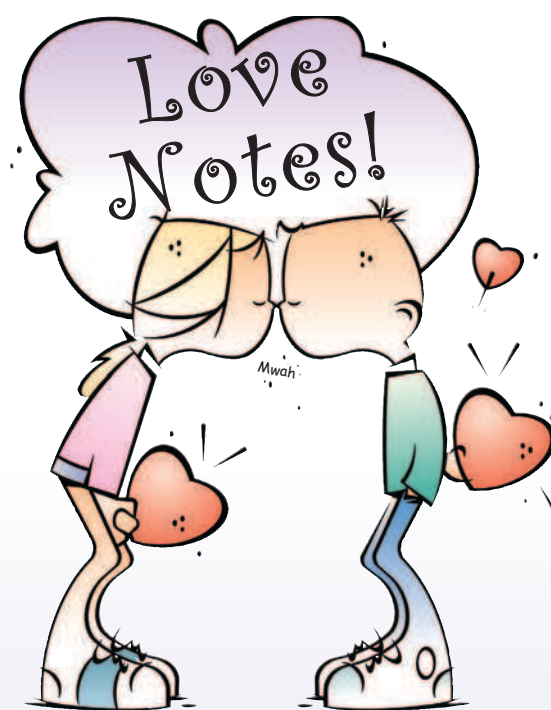
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