

The Minimum No One Talks About in Oregon

Last Friday, the minimum hourly wage increased to \$7.25.

For Oregonians who earn, who pay or who pay attention to the minimum wage, that's strange to hear. Isn't the hourly minimum in Oregon \$8.40?

Explanation: the *federal* minimum increased last week—from \$6.55 to \$7.25.

Oregonians rarely think about the federal minimum wage because, in practice, it's had virtually no meaning here for two decades. With the exception of a three-month period in 1996, Oregon's minimum wage has consistently been higher than the federal minimum. (Workers are entitled to receive the higher of the two.)

Today, Oregon remains one of thirteen states that have a minimum wage which is higher than the federal one. Last Thursday, the day *before* the latest federal increase, *thirty* states had minimum wage rates higher than the federal one.

In 1989, a broad-based coalition of unions, social service groups, churches and community organizations tired of waiting for the Congress to give low-wage workers a raise. The federal minimum wage had been \$3.35 since 1981. In "real" terms—accounting for inflation, the minimum wage workers' pay went *down 30%* over those eight years. The coalition lobbied the 1989 Oregon Legislature to pass SB 335; it raised Oregon's minimum from \$3.35 to \$4.75 by 1991. The federal minimum wage didn't catch up until 1996.

Organized labor played a dominant role in passing SB 335. In 1996 and again in 2002, signature gathering, funded and championed principally by organized labor, put minimum wage increase initiatives on the ballot. By wide margins, voters approved both initiatives which have ushered in ten increases...and counting. The 2002 measure instituting "indexing"—small annual hikes based on a cost-of-living formula.

Meanwhile, in 1997, the federal hourly minimum stalled at \$5.15. This time, it took Congress ten years to approve increases. The third of three annual steps was the increase to \$7.25 that took effect July 24, 2009.

Few, if any, workers under union contracts in Oregon are paid the minimum wage. Organized labor's role in raising the minimum wage demonstrates a commitment to boosting standards for *all* workers, not just union members. Like the bumper sticker says: "The weekend: brought to you by the labor movement."

In this case, it's \$45,000. That's how much an Oregon minimum worker, employed full-time over the past twenty years, has earned above the federal rate.

Economists debate the effects of a higher minimum wage. In lower-income communities like Woodburn, where I live and work, higher wages mean more economic activity because workers tend to spend most of their income at local businesses. In communities like ours, an average of \$2,250 more income per worker per year is multiplied as it circulates around town.

I hope that the Congress follows Oregon's example by indexing the federal minimum wage. And, better yet, add increases to actually catch up to Oregon's standard. That way, when we'd read or hear that the minimum wage was going up, we'd know that workers throughout the country have what we, today, take for granted.

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