



## Commissioner Brad Avakian

Bureau of Labor and Industries

### Press Release

For Immediate Distribution

September 16, 2009

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### **Labor Commissioner Announces No Change in 2010 Minimum Wage**

*Oregon's minimum wage will be unchanged on Jan. 1, 2010*

PORTLAND- Oregon Labor Commissioner Brad Avakian announced today that the state's minimum wage will remain \$8.40 next year. Due to a decline of 1.48% in the Consumer Price Index (CPI) from August 2008 to August 2009, the minimum wage will hold steady for the first time since Oregon voters enacted Ballot Measure 25 in 2002.

"Under the circumstances, a steady minimum wage is good for Oregon's businesses and working people," said Commissioner Avakian. "While the economy still struggles, workers will be able to continue taking care of their families while maintaining their purchasing power and contributing to the recovery. At the same time, employers who are in difficult financial situations can breathe a little easier because their labor costs will remain constant."

Oregon minimum wage law, codified in ORS 653.025, requires an annual adjustment based on inflation as measured by the CPI. The Commissioner of the Bureau of Labor and Industries (BOLI) is charged with adjusting the minimum wage for inflation every September, rounded to the nearest five cents. The law specifically ties Oregon's minimum wage to increases in the CPI, leaving no option for a reduced wage when the CPI declines.

Oregon is one of ten states, with Washington, Vermont, Ohio, Nevada, Montana, Missouri, Florida, Colorado, and Arizona, that annually adjusts the minimum wage based on inflation and the CPI. A combination of factors, including local economic trends, the structure of state laws and the floor of the federal minimum wage, suggest that few, if any, decreased minimum wage rates will take effect next year.

The CPI, which is published by the United States Bureau of Labor Statistics, is a measure of the average change in prices over time for 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.

The Bureau of Labor and Industries works to protect the rights of workers and citizens to equal, nondiscriminatory treatment and encourages and enforces compliance with state laws relating to wages, hours, and terms and conditions of employment. In addition, the Bureau's Technical Assistance for Employers Unit exists to train employers to understand and comply with civil rights and other labor and employment laws. Updated minimum wage posters will be available from the bureau in December and can be downloaded from the agency's website.

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*The mission of the Bureau of Labor and Industries is to protect employment rights, advance employment opportunities, and protect access to housing and public accommodations free from discrimination.*



**Commissioner Brad Avakian**  
Bureau of Labor and Industries

**Press Background Information**

For General Use

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**Background on State and Federal Minimum Wage Laws**

In November of 2002, Oregon voters passed Ballot Measure 25, which increased Oregon's minimum wage of \$6.50 per hour to \$6.90 per hour effective January 1, 2003. In addition to the initial increase, Ballot Measure 25 requires the Commissioner of the Bureau of Labor and Industries to annually adjust the minimum wage for inflation based on increases in the Consumer Price Index (CPI). Oregon's minimum wage is adjusted annually, pursuant to ORS 653.025(2), based on increases in the U.S. City Average Consumer Price Index for All Urban Consumers for All Items. The annual adjustment is calculated every September, rounded to the nearest five cents and becomes effective the following January.

Prior to the passage of Ballot Measure 25, Oregon's minimum wage had not increased since 1999. In 1996, voters approved a ballot measure that increased the minimum wage by \$1.50. The 1996 measure went into effect January 1, 1997 and was phased in over a three-year period, with the final increase taking effect in January of 1999.

Oregon is one of 13 states that have minimum wages higher than the federal minimum wage. Where an employee is subject to both the state and federal minimum wage laws, the employee is entitled to the higher of the two minimum wages. The federal minimum wage is currently \$7.25 per hour. The federal minimum wage increased with the passage of the Fair Minimum Wage Act of 2007, which included phased increases to the federal minimum wage, which was \$5.15 prior to 2007.

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

Wages in Oregon and Statistics from the Oregon Employment Department  
<http://www.qualityinfo.org/pubs/owi/owi2008.pdf>

Consumer Price Index Information, Bureau of Labor and Statistics, DOL  
<http://www.bls.gov/cpi/>

Federal Minimum Wage Information  
<http://www.dol.gov/esa/whd/flsa/>

Bureau of Labor and Industries, Wage and Hour Division  
<http://www.oregon.gov/BOLI/>

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