

Commissioner Brad Avakian

Bureau of Labor and Industries

Press Release

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2011 Minimum Wage Announced

New rate of \$8.50 takes effect on January 1

PORTLAND- State Labor Commissioner Brad Avakian announced today that Oregon's minimum wage will rise to \$8.50 per hour next year. The 10-cent increase mirrors a 1.15% increase in the Consumer Price Index since August 2009. Oregon's minimum wage rate has been \$8.40 per hour since January 1, 2009. Washington, where the minimum wage is currently \$8.55 per hour, will announce its adjustment on September 30th.

"This modest increase is the result of a slowly but steadily rising cost of living facing Oregon workers," Avakian said. "By helping workers and their families preserve their purchasing power in difficult times, our strong minimum wage law also benefits our local economies, where workers spend most of their paychecks."

Ballot Measure 25, enacted by Oregon voters in 2002, requires a minimum wage adjustment annually based on changes in inflation as measured by the Consumer Price Index (CPI). The Commissioner of the Bureau of Labor and Industries (BOLI) is directed to adjust the minimum wage for inflation every September, rounded to the nearest five cents. The statute detailing the adjustment is ORS 653.025 (read the statute here).

"We all know working Oregonians are struggling," said State Senator Diane Rosenbaum (D-Portland), who was the Chief Petitioner for Ballot Measure 25. "Thousands of Oregon families are fighting to keep food on the table and a roof over their heads by working full-time at minimum wage jobs," Rosenbaum added, "and every cent counts in this economy."

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

"It is critical," Avakian continued, "with our economy still straining to regain its momentum, that Oregon's lowest wage earners not lose ground by falling behind inflation. At the same time, this modest increase will not shock businesses in a way that hurts the economic recovery."

Revised minimum wage posters reflecting the new rate will be available for free download from BOLI's website in December. That site, which includes additional information about all of BOLI's activities, is http://www.oregon.gov/BOLI.

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