



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 a rise in the Consumer Price Index (CPI). Oregon's minimum wage is now adjusted annually, pursuant to ORS 653.025(2), based on 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.

Like Oregon, many states 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 \$6.55 per hour and is scheduled to increase to \$7.25 on July 25, 2009. Increases in the federal minimum wage are the result 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/news.release/pdf/cpi.pdf> (press release)

<http://data.bls.gov/PDQ/servlet/SurveyOutputServlet> (computations)

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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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.