

Testimony on HB 4002  
Before the Joint Committee on Farm Worker Overtime  
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Chair Taylor, Chair Holvey, Members of the committee,

My name is Gordon Lafer. I am a professor at the University of Oregon and a Research Associate with the Economic Policy Institute.

I am not here to advocate for or against HB 4002, but to shed some light on the economics of overtime pay.

Recently, *Highland Economics* produced a report you may have seen -- arguing that granting farmworkers the right to overtime pay would be bad for both farmers and farmworkers. Unfortunately, this report is based on flawed methodology and its conclusions are therefore not credible.

At the heart of this report is a survey of agricultural employers. However, Highland itself explains that the survey was "not designed to be statistically representative." But this violates the fundamental principle that distinguishes credible survey data from what the courts deem "junk science." If I said I could tell you what the voters of Oregon believe by surveying 100 of my friends on Facebook, you might have doubts about whether my friends are representative of the whole state. The same principle is true here.

The unreliability of the report's data is made clear by the fact that its findings contradict themselves. For instance, the vast majority of farmers in Highland's survey say that if farmworkers have a right to overtime pay, they will no longer schedule employees for more than 40 hours per week. But to do this, farmers have to hire more workers during the peak harvest season, and three-quarters of these same employers in the survey say they already face a serious shortage of farm labor -- a shortage which will only get worse if Oregon becomes the only state on the west coast to deny overtime pay. These two claims -- that there is a serious labor shortage and that farmers will hire more peak-season workers rather than pay overtime wages -- cannot both be true. That the report presents them both as true points to the fundamentally unreliable -- and ultimately meaningless -- nature of this data.

Highland's predictions also don't match the evidence from other states or from the economic literature. When California established overtime rights for farmworkers in 2016, *Highland Economics* was hired by the Western Growers' Association to conduct a similar analysis. Highland predicted that a right to overtime would "reduce farmworkers' incomes, reduce farm production and harm the state's economy." In reality, however, none of these predictions have come true. For instance, Highland predicted that California would lose up to 78,000 jobs as a result of overtime pay; instead, agricultural employment in the years following the adoption of this law was higher than in preceding years.

The Highland report was commissioned by the Oregon Farm Bureau, an organization with a track record of opposing not only overtime rights for farmworkers, but also paid sick leave, paid family leave, and the requirement that farmworkers' housing be built by licensed electricians and plumbers. The organization has also stated its opposition not just to the current minimum wage but to any minimum wage whatsoever.

Nor is this the first time the Oregon Farm Bureau has predicted that higher wages would have ruinous effects. When Oregon raised our minimum wage in 2016, the Farm Bureau declared that as a result, "many family farms and ranches... will have difficulty staying in business." In reality, fortunately, the number of Oregon farms continued to grow in the years following the minimum wage increase, and by 2019 the total value of Oregon farm production exceeded \$5 billion for the first time.

Everyone is, of course, free to voice any political view. But it may be useful for legislators to understand the broader context.

I am not here to tell you what to do. But I will tell you that there is no *economic* reason to oppose the idea that farmworkers should enjoy the same overtime protections as workers in other industries.

Thank you for the opportunity to be here.