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The State Chamber and Oklahoma Farm Bureau Join Forces in Legal Challenge Against SQ 832

[Oklahoma City, OK, November 21, 2023] – The State Chamber of Oklahoma and Oklahoma Farm Bureau Legal Foundation have jointly filed a formal protest challenging the legality of [State Question 832](#) (SQ 832), which aims to double the minimum wage in Oklahoma.

This [legal challenge](#), filed at the Oklahoma Supreme Court, argues the proposed state question is unconstitutional under Oklahoma law because it unlawfully delegates the legislature’s power to federal administrative officials.

SQ 832, if passed, would more than double Oklahoma’s minimum wage to \$15 per hour, and then would automatically raise it annually based on inflation. While on the surface, this may seem beneficial for low-wage workers, the collaborative effort between The State Chamber of Oklahoma and Oklahoma Farm Bureau seeks to address the complexities and adverse effects on various sectors of the state’s economy.

“State Chamber member companies have no interest in artificially holding down wages, and in today’s labor market, they could not stay in business if they tried to do so,” said Chad Warmington, president and CEO of The State Chamber. “Let’s be clear, most of our members already pay well above the current minimum wage hourly rate to their non- salaried employees. What is a major concern to us is the automatic, open-ended increase being linked to a federal government produced index that is based upon cost-of-living rates in cities like New York or San Francisco. Those areas are not reflective of the actual cost of living in Oklahoma. This ill-conceived plan would give Oklahomans no opportunity to adjust or halt these automatic increases.”

“Oklahoma Farm Bureau members understand the importance of fair compensation for honest work as farmers and ranchers rely on dependable, hardworking individuals to ensure their agricultural operations run smoothly and efficiently,” said Steve Thompson, OKFB vice president of public policy. “State Question 832 seeks to raise minimum compensation through national economic projections that are unrepresentative of Oklahoma’s economy, and these burdensome government mandates will only intensify the inflationary pressures Oklahomans are already facing.”

To illustrate the spiral SQ 832’s Inflation Escalator could impose on Oklahoma families and businesses, the following projections are helpful. Within a decade and a half of taking effect, the Inflation Escalator in SQ 832 would take the government-mandated wage from today’s \$7.25 per hour to:

\$22.16 per hour, if CPI-W grows at the 10-year average;

\$27.56 per hour, if CPI-W grows at the 5-year average; and

\$35.61 per hour, if CPI-W grows at the 3-year average.

The State Chamber of Oklahoma, representing a diverse range of businesses across the state, and Oklahoma Farm Bureau, a voice for agricultural interests, express reservations about the potential consequences of enacting SQ 832. Both organizations acknowledge the importance of fair compensation for workers but contend that the proposed measure could have unintended consequences for Oklahoma's economic landscape.

"Study after study has demonstrated that when a state or city's minimum wage is hiked, the result is lower employment, higher costs for consumers, increased business failures, or some combination of those three signs of economic destruction," said State Chamber Research Foundation executive director, Ben Lepak. "Worse, those economic effects are typically borne by the very people minimum wage advocates claim they are trying to help—low income workers. We feel there are better options for Oklahoma. "

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