

Thurston Economic Development Council

Statement and Position regarding City of Olympia Proposition 1

Voters in the City of Olympia are being asked to weigh in on a new package of policies related to wages, city governance, and workplace regulatory changes – Proposition 1. If passed, this proposition will substantially alter the business environment in Olympia.

Last year, the Thurston Economic Development Council (EDC) conducted a review of academic literature about minimum wage increases, and again in 2025. In addition, the 2025 review included a survey of academic work focused on the impacts of so-called “predictive scheduling,” or policies that ban the kinds of short-notice scheduling systems widely employed in restaurants and other low-wage industries.

The results of this review are mixed. It is undeniable that worker well-being is a critical element of a successful economy, and that aspects of Proposition 1 would serve that laudable goal. However, it would be dishonest to suggest that the trade offs do not exist.

Thurston County is fortunate to experience one of the highest levels of *income equality* in the nation. This is another way of saying that a remarkably high fraction of our county’s population sits firmly in the middle class. Poverty levels are relatively low, and there are relatively few extremely wealthy people living here. Our economy is deeply intertwined with the ability of middle-income earners to afford sustainable consumer spending.

Our region is experiencing the same cost of living crisis that has gripped many American towns and cities. With prices in Olympia and the surrounding community over 20% higher than the national average, the cost of housing and land is particularly painful for homeowners, renters, workers and business owners in Thurston County - especially Olympia. The Thurston EDC and our partners have spent considerable time and energy working to better understand and address this critical economic development issue.

As our understanding evolved, it has become very clear that we do not live in a community with a wage-and-income crisis. We do live in a community with a cost-of-living crisis. We must consider how an additional increase in labor costs for restaurants, retailers, non-profits, start-ups, and others will adversely impact our local economy. Without the continued consumer spending and business activity we traditionally expect from residents, existing budget deficits in Olympia and other jurisdictions will likely worsen. Olympia is not alone in this moment. Public budgets are tightening around the country and uncertainty surrounding federal policy weighs heavily on private sector investment.

In such an environment, the Thurston EDC board of directors cannot in good faith stand behind Proposition 1. We firmly believe that it will **not** be a net positive for economic outcomes in the City of Olympia; and in fact, will be a significant negative compression

on the employers of the community – and will be a burden on the community's goal to have a vibrant economy that supports the livelihoods of all its residents.