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California Senate Approves \$13 Minimum Wage with Indexing

Spurred by growing wave of state and local minimum wage increases, bill would make California's minimum wage the highest in the country

Sacramento, CA – A bill approved by the California State Senate this afternoon would raise the state's minimum wage to the highest level in the country, setting it at \$13 per hour by 2017, after which it would rise each year to keep pace with inflation. The bill would also raise the minimum wage for tipped workers to \$13 per hour – the nation's highest rate – as state law guarantees tipped workers the full minimum wage paid directly by their employers, with tips received in addition.

Under a law approved last October, California's minimum wage, currently \$8.00 per hour, is already set to rise to \$9.00 per hour this July, and ultimately reach \$10 per hour by January 2016. The Senate bill approved today would accelerate and extend that timeline, raising the minimum wage to \$11 per hour by January of next year, with subsequent increases to \$12 by January 2016, and \$13 by January 2017.

At the time of its approval last October, California's minimum wage increase to \$10 per hour made it the highest in the nation – since then, a groundswell of states have raised their minimum wages to higher rates, with Connecticut, Maryland, and Hawaii voting earlier this year to raise their state minimums to \$10.10 per hour. In April, Vermont voted to raise its minimum wage to \$10.50.

"With the largest economy in the country, California deserves a minimum wage that will actually ensure that work provides a meaningful path out of poverty for millions of workers across the state – and this bill achieves that goal," said **Paul Sonn, general counsel at the National Employment Law Project**. "The Assembly should move quickly to approve this bill, and Governor Brown should sign it."

California is one of seven states that guarantees tipped workers the full minimum wage paid directly by their employers – by contrast, federal law and that of many other states allows employers to pay tipped workers a base wage of only \$2.13 per hour, a rate that has not increased since 1991. States that follow California's example of ensuring that tipped workers are paid the full minimum wage directly by their employers have [significantly reduced](#) the high poverty rates common among tipped workers, 70 percent of whom are women.

Across the country, raising the minimum wage continues to rank as a top-tier priority for voters, with polling showing over 70 percent support for increasing the federal minimum wage to \$10.10 per hour and indexing it to inflation. With Congress gridlocked over a federal increase, eight states have

approved a minimum wage increase year. Proposals are currently pending in Illinois and Massachusetts, and voter initiatives are expected to appear on the ballot in November in Alaska, South Dakota, Arkansas, Massachusetts, and Nebraska.

The most [rigorous economic research](#) over the past 20 years shows that raising the minimum wage boosts worker pay without causing job losses – even in regions where the economy is weak or unemployment is high. A recent [study](#) by the Center for Economic and Policy Research reviews the past two decades of research and concludes that raising the minimum wage had no adverse impact on employment.

The National Employment Law Project is a non-partisan, not-for-profit organization that conducts research and advocates on issues affecting low-wage and unemployed workers. For more about NELP, visit www.nelp.org or www.raisetheminimumwage.org.

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