

From Tim Taylor, NFIB California Legislative Director

The minimum wage issue in California is a bit schizophrenic. It increases to \$16 on January 1, 2024. There are, however, localities and specific industries that deviate from those rates.

West Hollywood for example, has the unique distinction of having the **highest minimum wage in the country**, ringing in at \$19.08 an hour. I guess 19 bucks wasn't quite enough, they needed to throw in that extra 8 cents.

We also saw the Legislature pass bills that the governor signed that increased the minimum wage in two business sectors: health care and the fast-food industry. The [health-care bill](#) sought to increase the minimum wage in stages: \$23, \$24 and \$25 in three years.

What is curious about this bill is that it doesn't just apply to health-care workers, it applies to all workers at a covered health-care facility. This would include a man who works in the flower shop, or cafeteria workers, or the lady who runs the gift shop and so on. So you end up with this situation in which that man who works in the flower shop at the clinic is making seven to nine dollars an hour more than the college student working in the florist shop 200 yards away.

Creating such a significant increase acts as a sort of gravitational pull on legislators over time to increase the minimum wage for the college student working at the florist shop. The monster perpetually feeds itself in that respect.

The other big minimum wage bill that was signed was the [fast-food bill](#) that will raise the minimum wage for fast food workers to \$20 an hour beginning April 1. The impacts of this rise will be challenging for families who frequent fast-food establishments, as the price of a Happy Meal will inevitably increase.

The real losers here, sadly, are the employees and hopeful employees. The fast-food industry has always provided a great first job for the youth of America. It allows them to get on that first rung of the economic ladder and eventually realize that an unskilled labor job may not be what they want to do for the rest of their lives, and they eventually move up the economic food chain, so to speak.

Because of this minimum wage increase, fewer of those young men and women will get that entry level job and furthermore, the fast-food industry will work overtime to implement automation, further decimating that segment of the population. It's not good for those kids, nor is it good for the labor force writ large over time.