



## TALKING POINTS MEMORANDUM

### The Minimum Wage in California

- The current federal minimum wage is \$7.25 an hour. In California, because federal law allows states to set their own (higher but never lower) rates, it is \$16 an hour, **the second highest of all states** in the nation. (Washington state is first with \$16.28.)
- Taking things one step further, California allows **localities to set their own minimum wages**. West Hollywood's is \$19.08 an hour, San Francisco's is \$18.07, and Mountain View's is \$18.75 to highlight a few.
- Now, a new trend has emerged from a Legislature that believes the issue can be used politically to score points with their campaign backers—industry-specific, minimum-wage rates. The fast-food industry was compelled to pay employees a **\$20 minimum wage as of April 1, 2024**, and health-care facilities will be forced to pay some of their employees **\$21 per hour on July 1, 2024, \$23 per hour on July 1, 2026, and \$25 per hour on July 1, 2028**. (Note that these are not health-care professionals only, but every employee including, but not limited to, janitors, gift shop employees, cafeteria workers, etc. NFIB strenuously fought against the bill.
- The minimum-wage madness California has created with its crazy-quilt of rates has led to **massive closures of fast-food franchises** and with them, the loss of jobs for teens and young adults whom the minimum wage was meant for. Even Gov. Gavin Newsom had to ask the Legislature for more time for the health-care minimum-wage rate to take effect to **avoid exacerbating the state's \$73 billion budget deficit**.
- More to come. On June 27, 2024, unless its backers ask for it to be removed, the people of California will vote on a ballot initiative to increase the minimum wage to \$18 an hour via incremental increases. Businesses with 25 or more employees would reach that threshold in 2025 while those with 25 or fewer employees would reach that threshold in 2026.
- NFIB will oppose the initiative, as it fought against the fast-food and health-care rates. Because of whom it represents, the small-business owners of the state, **NFIB's arguments in opposition to these minimum-wage increases were the most considered and respected, even among those who disagreed with them**.