

Duff on Hospitality Law

Increases to Minimum Wage by West Coast States are on the Up and Up

By Joy Ellis on 10.2.13 | Posted in Employment Law

As fast food workers across the country stage walkouts in a push for a \$15 hourly wage and the Obama administration renews its call to boost the federal minimum wage, states on the left coast have already embraced employee-friendly increases.

Oregon, the state with the second-highest minimum wage in the country, announced last week that it will raise its minimum wage to \$9.10 in 2014. It's in good company: Oregon's neighbor to the north just announced that Washington will raise its state minimum wage to \$9.32 (the highest in the nation), and Oregon's neighbor to the south just enacted a law that will hike California's minimum wage to \$10 per hour over the next three years in one dollar increments – from \$8 to \$9 on July 1, 2014, then to \$10 on January 1, 2016.

The current federal minimum wage is just \$7.25 per hour, but at least 19 states and the District have set a higher wage for workers. Nine of these states (Oregon and Washington among them) have indexed their rates to inflation, such that the rate is revisited every year to keep pace with changes to the economy.

Certain cities have set minimum wage even higher than the state minimum wage. San Francisco, for example, currently has the nation's highest minimum wage of \$10.50 per hour. Meanwhile, the City of SeaTac, Washington will have a unique \$15 minimum wage initiative on its ballot this November. Known as Proposition 1, this union-sponsored initiative singles out hospitality and transportation employers within the City of SeaTac (home of Sea-Tac Airport).

Numerous state legislatures across the country have also been introducing bills to raise their minimum wages. These wage hikes come amid a national debate over whether minimum wage workers should be paid more – what advocates have called a “living wage.” There's little consensus: economists disagree on the effects of raising a minimum wage and the issue is politically divisive. Some contend that increasing wages can improve the economy for everyone by increasing the demand for goods and services because those that work would spend more if they had money in their pockets. Others argue that raising wages by government mandate leads businesses to cut jobs and reduce employees' hours, effectively hurting the workers who were supposed to benefit from the increased wages. As the debate continues, it is unclear what other states – or even the federal government – will do in the future. Stay tuned for updates on significant changes.

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Please contact [me](#) or [Greg](#) if you have any questions.

Tags: minimum wage