

# Los Angeles Boosts Minimum Wage

Advocates call the move to raise the minimum to \$15 an hour a turning point and blueprint for campaigns elsewhere



Workers react as Los Angeles City Council last week gave preliminary approval to raise the city's minimum wage to \$15 an hour by 2020. *PHOTO: DAMIAN DOVARGANES/ ASSOCIATED PRESS*

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June 10, 2015 1:00 p.m. ET

LOS ANGELES—Advocates are calling this city’s move to raise the minimum wage to \$15 an hour by 2020 a significant turning point in their efforts nationally and a potential blueprint for wage campaigns elsewhere.

On Wednesday, the City Council in the nation’s second-largest city, with a high cost of living and one of the highest poverty rates among large U.S. metro areas, passed an ordinance to boost the minimum wage to more than twice the current federal minimum of \$7.25 an hour.

California’s statewide minimum wage is \$9 an hour and is set to rise by a dollar next year.

The unusually large increase came over the objections of small businesses and the region’s Chamber of Commerce, which say it will hurt Main Street businesses and cost the city jobs. Nationally, it is the most concrete victory yet by unions, big-city mayors and activists who have sought to make raising the minimum wage a central part of the income-inequality debate.

“Americans realize something is broken in the economy,” said Los Angeles Mayor Eric Garcetti, a Democrat who pushed for the increase.

“Too many people are working really hard, and aren’t able to support themselves, and that just feels un-American to people.”

The wage boost is part of a shift toward local jurisdictions taking a lead on a policy once considered the province of the federal government.

Minimum- wage proposals are being evaluated in at least seven cities, according to the National Employment Law Project, an organization that backs the increases.



Los Angeles Mayor Eric Garcetti backs the move to raise the city's minimum wage. 'Too many people are working really hard and aren't able to support themselves, and that just feels un-American to people,' he said. *PHOTO: PATRICK T. FALLON/BLOOMBERG NEWS*

In New York, where state action is required, Democratic Gov. [Andrew Cuomo](#) last month asked the state labor commissioner to examine wages in the fast-food industry. Advocates in Oregon, California and Washington, D.C., have moved to place voter measures on 2016 ballots that would increase the minimum to \$15.

In April, New York Mayor [Bill de Blasio](#) hosted Maria Elena Durazo, the former head of Los Angeles' most powerful labor group, and other liberal leaders to discuss how to make raising the minimum wage part of a national platform other cities and jurisdictions could adopt.

The Los Angeles wage increase is "creating palpable national momentum," said Paul Sonn, general counsel and program director for the National Employment Law Project. "What's different this time, from previous years, is that the momentum is for substantially higher wages."

In a study conducted at the request of the City Council that evaluated a slightly higher minimum wage of \$15.25, economists at UC Berkeley estimated that 609,000 workers, or 41.3% of the city's workforce, would see their wages increase, while 3,472 jobs, or about 0.2% of employment, would be lost.

Other economists, however, have critiqued that research as playing down the potential job losses, and other studies have found wage increases can lead to reduced employment. Last year, a Congressional Budget Office report said increasing the federal minimum wage to \$10.10 an hour would eliminate 500,000 jobs nationwide.

Melina Ramirez, 25, who earns \$11.25 an hour at a [McDonald's](#) in South Los Angeles, said an increase to \$15 would add more than \$500 to her take-home pay and go a long way toward paying for gas, food and the nearly \$800 in rent on the one-bedroom apartment she shares with her year-old daughter, Vivian.

"I am really at the margins," Ms. Ramirez said. "I don't really have the privilege to buy my daughter clothing, or a little toy, because I have to think: 'Do I save it for next month, or should I buy her this?'"

Business groups say increasing the minimum wage will hurt workers such as Ms. Ramirez, as it will force employers to automate tasks and cut jobs to keep up with increased labor costs. Businesses hurt most will be those in the hospitality, apparel, restaurant and light and industrial manufacturing industries, where profit margins are thin and overhead is already high.



Maria Elena Durazo, an official at the national labor organization Unite Here and former head of the Los Angeles County Federation of Labor, has spoken about making the wage campaign part of a platform other cities could adopt. *PHOTO: DAMIAN DOVARGANES/ ASSOCIATED PRESS*

The geography of this sprawling metropolitan area also presents its own challenges, as the massive grid that makes up Los Angeles County includes 88 incorporated cities, as well as several unincorporated communities, all not subject to the wage increase. Business leaders say employers will move their operations to where labor costs are lowest. “It creates an unfair competitive disadvantage, where local businesses can simply set up shop across the street,” said Mitchell Englander, a Republican member of City Council who cast the sole vote against the ordinance.

Organized labor was a driving force behind the wage campaign. Workers wearing union T-shirts packed City Council hearings waving posters reading “Raise the Wage.”

Labor also helped lay the groundwork in past years through ordinances that targeted specific industries, or businesses that sought city contracts. Members canvassed neighborhoods, convincing some 100,000 Angelenos to sign “support cards” in favor of the raise, said Rusty Hicks, executive secretary-treasurer of the Los Angeles County Federation of Labor.

“We did it the old-school way of organizing, one by one by one,” Mr. Hicks said. But, he added, the unions also had “an active presence on social media, to create an air-support campaign to the ground effort.” Mr. Hicks came under criticism from business groups and local media after he sought an exemption from the minimum wage for businesses with unionized workforces. He argued the exemption was standard language meant to protect the ordinance from conflicting with federal law, which has jurisdiction over collective bargaining agreements. The council tabled the exemption for later discussion.

Ruben Gonzalez, senior vice president for public policy and political affairs for the Los Angeles Area Chamber of Commerce, said the push for the exemption was evidence that the minimum-wage campaign was an attempt by labor to gain a new organizing tactic. Creating the exemption was akin to allowing “organizing with a regulatory gun to the head of the business owner,” Mr. Gonzalez said.

Mr. Hicks said gaining a new organizing tool isn’t labor’s motivation for seeking the exemption.

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