



Rushed Minimum Wage Increase Is a Huge Mistake

By George Runner

Special interests struck a backroom deal to raise California's minimum wage to \$15 an hour in just six years. The deal was rushed through the Democratic-controlled Legislature with little public input and signed into law by the governor in less than a week.

It's almost as if no one wanted to take the time to stop and listen. If they had, they might realize they're making a huge mistake.

While a \$15 minimum wage may seem like a good deal for workers, it will cost many their jobs and raise the cost of living for all. A one-size-fits-all approach to combating poverty will fail in an economically diverse state like California.

Even supporters of raising the minimum wage realize the danger. A recent UC Berkeley study found that raising the wage in Los Angeles would cause the city's unemployment rate to rise and economy to shrink. Creating more poverty and shrinking the economy shouldn't be the goal of public policy.

For further evidence, take a look at Seattle, which recently adopted a \$15 minimum wage. The state of Washington saw major job gains in 2015, except in Seattle. Also, the food service industry experienced the largest job losses since 2009.

While most restaurant owners can't pack up and leave California, it's foolish to ignore the potential devastation.

Troy Paski, founder of Hoppy Brewing Company in Sacramento, is still adjusting to the last minimum wage hike, to \$10 an hour. He's worried about how another 50 percent increase will affect his business and his customers. "It'll be \$10 for your beer and \$20 for your burger," Paski said. "I think a lot of people are in for a rude awakening when they realize they can't afford to eat out anymore."

The intentions behind a minimum wage increase may be pure, but it ends up hurting the very people it's meant to help. Young workers trying to pay for college and struggling families will find it harder to find jobs when businesses find automation to be a cheaper option.

Even Gov. Jerry Brown has said raising the wage too high will cost jobs and put a lot of poor people out of work. Yet he seems to have given up his fight for local control when it's needed most.

A \$15 wage in Fresno means something completely different than in Los Angeles. Cost of living and disposable income vary dramatically from city to city. And rural California is a completely different world than coastal cities like San Francisco. It's silly to treat every part of California the same. That's elitism.

But if the minimum wage isn't the answer, how can we help low-wage workers obtain higher pay?

The answer lies in understanding how value is created. No employer in their right mind would pay \$15 per hour for someone who only provides \$10 of value. The key is helping workers gain skills so employers want to pay them more, or risk losing the value they provide.

There's no easy fix to poverty, but the governor and Legislature need to prioritize education. Whether in college, technical schools or trade schools, workers need opportunities to better themselves and move up the economic ladder.

And maybe if our leaders weren't so busy making backroom deals, they might find time to increase their own governing skills. Bad laws hurt just about everyone.

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