On March 28, Governor Brown and California Legislative leaders announced a historic proposal to increase the California minimum wage to $15 per hour by 2022. In anticipation of an initiative raising the minimum wage slated for the Fall 2016 ballot, the Center for Business and Policy Research has been working on an assessment of the minimum wage increase on the Northern California Megaregion, and is releasing some preliminary results in response to today’s news.

The map at the right shows the regional differences and the sweeping scope of such a large increase in the minimum wage. In many counties, particularly those with a heavy dependence on agriculture and tourism, approximately 50% of current jobs have wages that would be affected by the legislation. In San Francisco and the Silicon Valley, 25-30% of workers will be affected, although many of these jobs will be impacted by local minimum wage ordinances even in the absence of statewide action. Overall, we estimate 36.9% of all jobs across the Northern California Megaregion will be affected.
The jobs impacted by the increase in the minimum wage vary widely by industry, occupation and demographics. The most significant impact is by age, where 77% of jobs held by those under the age of 25 would be affected by a minimum wage increase, about three times the share of jobs held by those over 35. Nearly 57% of Hispanic workers would be affected, compared to 26% of White workers.

The most affected industries are agriculture, restaurants, and retail while the least affected industries are utilities, information, and finance. The biggest differences are within occupations. Over 90% of farmworkers, food preparation and servers have current wages that would be impacted. More than two-thirds of workers in personal care and service, cleaning and maintenance service occupations would also be affected.