

# Raising the Minimum Wage in San Mateo County



# Minimum Wage in San Mateo County

**San Mateo County has no countywide minimum wage**, therefore cities must take it upon themselves to raise the minimum wage over the mandated state wage (\$15.00 for businesses with over 25 employees). <sup>[4]</sup>

12 out of 20 cities have raised their minimum wage on a timeline more rapid than the state's.

## Minimum wage in SMC's larger cities (2022): <sup>[4]</sup> <sup>[5]</sup>

Belmont - \$16.20

Brisbane - \$15.56

Burlingame - \$15.60

Daly City - \$15.53

East Palo Alto - \$15.60

South San Francisco - \$15.80

San Carlos - \$15.77

San Mateo - \$16.20

Redwood City - \$16.20

Half Moon Bay - \$15.56

Menlo Park - \$15.75

Pacifica - \$15.00\*

Foster City - \$15.75

Millbrae - \$15.00\*

San Bruno - \$15.00\*

## Other Nearby Cities (2022): <sup>[4]</sup>

City of San Francisco - \$16.32

SFO Minimum Compensation Ordinance (Airport Minimum Wage) - \$18.55

*\*Cities that haven't raised their minimum wage above the state's minimum.*

# Current State Minimum Wage

The minimum wage in California is currently:

- \$15.00/hour for employers with 26 or more employees
- \$14.00/hour for employers with 25 or fewer employees

Many cities and counties have higher minimum wages than the state's rate.

Beginning in 2023, the minimum wage law requires the rate adjustment to be the lower of 3.5% or the rate of inflation.

As of January 2023, the State Minimum Wage will be \$15.50/hr for all businesses as determined by the State Department of Finance (small business true-up with the 3.5% applied).

# Life on Minimum Wage

The Liveable Wage for a single adult in San Mateo County is \$58,238 annually or \$28 an hour (40 hours a week); this includes housing, transportation, food, healthcare, and other essential expenses for a dignified life. [6] [7] [8]

## How many hours must a minimum wage worker (\$14.00) work to meet basic needs in San Mateo County?

- Single adult: **93 hours (18.5 hour workday - 5 day work week | 13 hours a day everyday).**
- Single adults with a preschooler: **176 hours (not enough hours in a week).**

*Data from the MIT School of Architecture and Planning, the Insight Center for Community Economic Development, and the US Census*

Food	\$3,792
Child Care	\$0
Medical	\$2,545
Housing	\$26,364
Transportation	\$4,900
Civic	\$1,811
Other	\$2,794
Required annual income after taxes	\$42,207
Annual taxes	\$16,031
Required annual income before taxes	\$58,238

*Annual Cost of living in San Mateo County for a single person with no children [6]*

# Policy Proposal - Unincorporated Territories Proposal

The San Mateo County Board of Supervisors will hold a public hearing at its public meeting on Nov. 1, 2022, to discuss the option of raising the minimum wage in areas that are unincorporated -- that is areas not within a city's limits.

The proposal being developed would call for a minimum wage, as of Jan. 1, 2023, according to the following scale:

Employers with 26 or more employees \$16.50 per hour

Employers with 25 or fewer employees \$15.50 per hour (Same as scheduled State rate)

***Every year thereafter, the minimum wage for all businesses will be increased in accordance with the regional rate of inflation, based on the Consumer Price Index or by 3 percent, whichever is less.***

# Policy Effects

## Counter Arguments

With businesses barely recovering from COVID, a minimum wage would raise labor costs for companies. Wouldn't this halt recovery and hurt industries in San Mateo County?

- San Mateo County's unemployment is at 2.1%, nearly back to pre-Covid rates and among the lowest in the State. <sup>[10]</sup>
- Every additional dollar that is paid to a local minimum wage worker is one that will stay in the local economy rather than being given to stockholders and investors outside of the economy. To ensure a strong economic recovery, we must direct capital to low income workers so that it cycles through the local economy.

# Bibliography

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