



# MIKE BONIN

City of Los Angeles  
Councilmember, Eleventh District

March 24, 2015

Members of the Economic Development Committee  
200 N. Spring St.  
Los Angeles, CA 90012

**Re: CF: 14-1371 / Minimum Wage Reports**

Dear Colleagues:

Thank you for the time and effort you are spending thoroughly studying the issue of raising the minimum wage in Los Angeles. I commend you and the other members of the Economic Development Committee for holding a series of hearings around the City and for making an extensive effort to engage the public.

As you begin this process, you will hear competing arguments, review conflicting numbers, and read several different studies. The range of information before you will be broad, significant and comprehensive. As you cull through such voluminous information, I would like to highlight certain findings that underscore the importance of *raising the citywide minimum wage to \$15.25 by 2019* -- a crucial step in addressing income inequality and growing the Los Angeles economy.

The Institute for Research on Labor and Employment at the University of California Berkeley, previously examined only a proposal to raise the wage to \$13.25 by 2017. In their recent report, they examined the complete \$15.25 proposal, and reached a series of important conclusions:

- The benefits of the proposed minimum wage law would largely outweigh the costs in Los Angeles City, and when the larger region is considered, the net impact of the law would be positive.
- More than 600,000 workers in Los Angeles would receive pay increases.
- The large majority of affected workers would be adults.
- More than 80 percent of affected workers would be people of color, and more than half of Latina/o workers in Los Angeles would receive a pay increase.

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- More than one-third of affected workers would be parents.
- The total wage increase would be \$2.381 billion by 2019, generating further spending benefits in Los Angeles through multiplier effects.
- There would be a nominal increase in sales tax receipts for the City of \$4.7 million in 2019.
- Businesses would benefit from lower employee turnover rates.
- There may be additional social benefits from the proposed wage increase, such as improved health for both workers and their children, and increases in children's school achievement and cognitive development.

The report backs up something that businesspeople in my district know instinctively. Recently, I emailed an online survey about issues facing businesses in Los Angeles to every business within Council District 11, and hundreds responded, overwhelmingly supporting the wage increase. Fifty-five percent support raising the minimum wage, compared with just 25% who oppose an increase. Eighteen percent of the respondents said they needed more information on the proposal, and 7% said they oppose any minimum wage at all. Nearly 70% said that an increase would either have no effect on their business, or would benefit their business by giving customers more income and purchasing power. Only 13% said a wage increase would have a harmful impact on their business.

Income inequality is an issue that threatens the vitality of the Los Angeles economy. The numbers of working people who live in poverty in our city is a crushing assault on families, children, and the social fabric of Los Angeles. We have an obligation to raise the minimum wage as high as evidence and study argues would be responsible and prudent. The UC Berkeley study makes clear that a wage of \$15.25 by 2019 is feasible, responsible and beneficial for Los Angeles.

Thank you again for your work. I look forward to continuing this conversation with you as the full City Council considers this vital issue.

Regards,



**MIKE BONIN**

*Councilmember, 11<sup>th</sup> District*

**Attachment:** Small Business Survey Results Summary

Mike Bonin's

# SMALL BUSINESS SURVEY SURVEY RESULTS

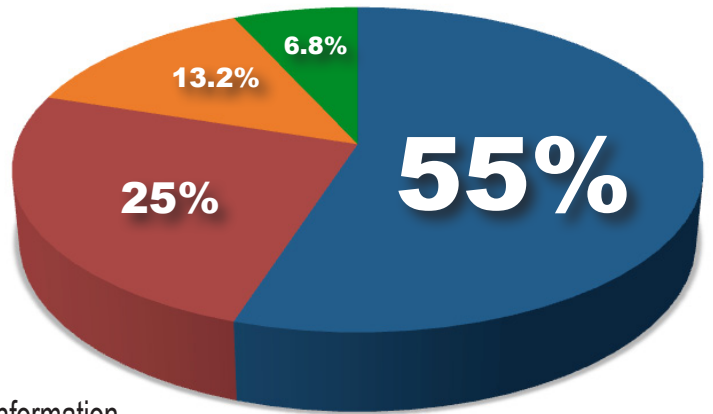
Last fall, Councilmember Mike Bonin emailed every business owner in Council District 11, seeking input on a variety of issues facing businesses in Los Angeles. The following are some of the results of the CD11 "Small Business Survey."



### Premise (as presented in the survey)

The City Council is considering various proposals to raise the minimum wage in Los Angeles, gradually over the next several years, to \$13.25 by 2017 and \$15.25 by 2019...

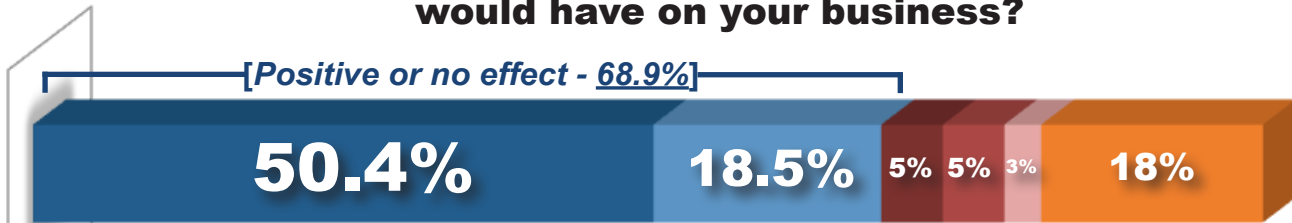
### Do You Support Raising the Minimum Wage in Los Angeles?



- Yes
- No
- I need more information
- I don't believe there should be a minimum wage

THANK YOU TO THE  
**MORE THAN 200**  
LOCAL BUSINESS OWNERS  
WHO RESPONDED TO  
THIS SURVEY!

### What effect do you believe gradually increasing the minimum wage would have on your business?



An increase to the minimum wage will not have an impact on my business. ■  
My business will benefit from more people having more disposable income ■

An increase in the minimum wage would cause me to reduce staff ■

An increase in the minimum wage would cause me to reduce hours for employees ■

An increase in the minimum wage would cause me to move or close my business ■

Other / Miscellaneous comment ■

