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City of Los Angeles
Councilmember, Eleventh District

Date: 10/28/14
Submitted in Econ. Dev. Committee
Council File No: 14-1371
Item No.: 1
Deputy: Communication from Councilmember Bonin

October 28, 2014

Members of the Economic Development Committee

Re: CF-14-1371 / Bonin-Cedillo-Martinez-Price Minimum Wage Motion

Dear Committee Members,

Thank you for beginning deliberations today on legislation that addresses some of the most crucial issues facing our city – poverty, income equality, and the need to create more good-paying jobs. The City of Los Angeles has a proud tradition of enacting policies to address those issues, grow the economy, and expand social justice. This legislation is a bold and crucial step in continuing that tradition.

The proposed minimum wage legislation has the potential to help hundreds of thousands of Angelenos live better lives and impact the regional economy. It requires an approach that is careful, thoughtful, and strategic. That is why the Bonin-Cedillo-Martinez-Price motion specifically called for a study of how to increase the minimum wage in Los Angeles. It is crucial to have a comprehensive analysis that answers the questions of each member of this council, of the business community, of workers, and of the general public.

It also crucial to have a balanced study – one that looks fairly at both the potential pitfalls and the potential benefits of raising the minimum wage. Between some of our colleagues questions and testimony expected today, I anticipate we will have plenty of excellent questions that wisely ask about potential negative impacts of raising wages in Los Angeles. I urge the committee to also require the study to address questions that examine the potential positive impacts of raising wages and lifting Angelenos out of poverty. For example, I have listed some possible questions the committee could include in the study below:

BOOSTING THE LA ECONOMY

- How much money would be spent locally if wages were increased to a level that allowed for people who currently make the minimum wage to have disposable income?
- How many jobs would likely be created to meet the increased demand of more people having enough money to spend locally?
- What types of businesses would be most likely to benefit from more people having an ability to make greater contributions to the local economy?
- How much additional revenue would the City of Los Angeles bring in through the increased sales taxes generated by increased economic activity?

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- How much money could businesses expect to save if employee turnover were reduced as a result of increased wages?
- Has increasing wages historically lead to an increase, or a decrease, in worker productivity?

HELPING THOSE IN NEED

- How many people in each Council District currently earn the minimum wage?
- Who will this legislation help most? Please provide demographic information about minimum-wage workers in Los Angeles, including information about age, gender, ethnicity and education.
- How many minimum wage workers in Los Angeles are the primary wage earners for their families?
- If the minimum wage were increased to \$15.25 per hour, how many people making slightly more than the current minimum wage could expect to also receive a raise as a ripple effect of the wage increase?
- What would be the actual annual wage increases in real dollars if the minimum wage is raised to \$15.25 by 2019, if a standard rate of inflation was taken into account?
- How would a minimum wage of \$15.25 in 2019 compare to the expected average and median wage in the City of Los Angeles in 2019?
- Are there any existing California State laws that would prohibit a municipal minimum wage law from applying different minimum wages to tipped workers and non-tipped workers?

SAVING TAXPAYERS' MONEY

- How much money could be saved at local schools if parents earned wages at a level that did not require them to work two or three jobs to afford basic necessities, allowing them to spend more time at home and thus reducing the need for after school programs?
- How much would raising the minimum wage likely save public service agencies and local governments if demand were reduced for social service programs that are funded by taxpayers?

ADDRESSING THE HIGH COST OF LIVING IN LA

- What is the average monthly rent for a two-bedroom apartment in the City of Los Angeles?
- How does the cost of living in Los Angeles compare with other cities in California?
- How does the cost of living in Los Angeles compare with Seattle, Washington?
- If two adults in a family of four in Los Angeles worked 1.5 full-time jobs between them, how much would they need to earn in order for their family to afford basic necessities, such as rent, utilities, food and transportation?

Thank you again for the work you have already done, and the work you will continue to do on this issue. I am excited about the good that we can do through this legislation for Los Angeles and the people who live, work and visit here.

Regards,

A handwritten signature in blue ink, appearing to read 'Mike Bonin', with a long horizontal flourish extending to the right.

MIKE BONIN

Councilmember, 11th District