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SAN JOSE — Even as California and the rest of the nation move toward raising the minimum wage to \$10 an hour, San Jose's lowest-paid workers are about to get even bigger paychecks and should continue to earn more than their peers for years to come.

A voter-approved measure pushed San Jose's minimum wage from \$8 to \$10 in March, but it also included a provision to bump up the rate at the pace of inflation each New Year's Day. On Wednesday, it goes up to \$10.15 for an estimated 54,000 workers.

The annual cost-of-living boost may seem like spare change to some. But as one of only two cities in California, along with San Francisco, that has inflation-based raises, it will ensure San Jose minimum wage workers stay ahead of the pay scale curve while the rest of the country catches up.

In the last few months, the California Legislature hiked the \$8 minimum wage for the rest of the state to \$9 starting next July, and to \$10 at the start of 2016. President Barack Obama, meanwhile, plans in 2014 to push a bill to raise the federal minimum wage from \$7.25 to \$10.10, while Democrats around the nation embark on campaigns to beef up state minimum wages as part of a mid-terms election strategy.

Even some San Jose business leaders initially opposed to the increase see the benefits of coming first.

“San Jose has been able to absorb the minimum wage increase ahead of the rest of the market,” said Scott Knies, executive director of the San Jose Downtown Association,

who was initially a major opponent of the plan. After a heated campaign in fall 2012,

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Knies said.

And the latest increase comes on top of the 25 percent minimum wage jump that owners of some 40,000 affected businesses had to endure in March. That pushed San Jose behind only San Francisco, the Washington, D.C. area and Santa Fe, N.M. for the nation's highest minimum wages for general workers, according to the National Employment Law Project.

The California Restaurant Association recently finished polling owners in San Jose and found that the increase had raised costs by \$10,000 to \$50,000 for some eateries, said spokeswoman Angelica Pappas. Many have raised menu prices slightly, cut workers' benefits, reduced employees' hours or even let go of staff, she said, and restaurant owners are not looking forward to the 15-cent bump taking effect Wednesday.

"Any increase, no matter how small or insignificant it might seem, will have a profound impact on restaurant owners. It's an industry that operates on such small margins," Pappas said. "It's making every penny count."

Still, raising the minimum wage continues to poll well around the nation, even with independents and Republicans, and passed with nearly 60 percent approval in San Jose in November 2012. And with the economy improving, especially in Silicon Valley, it's been tough for businesses to peg any loss of profits on the rising minimum wage.

Scott Myers-Lipton, the San Jose State University sociology professor whose class first proposed the ballot measure, said the inflation-based bump may seem small but can add up for workers. San Francisco, which started tying its minimum wage to inflation a decade ago, has since seen its rate soar more than \$2.20, and it goes up again to \$10.74 on Wednesday.

“This makes sure that the workers will not get a salary decrease” as rent and other

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Note: San Jose and San Francisco have approved higher minimum wages that increase with inflation each Jan. 1.

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