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May. 26, 2014

At \$10.74 an hour, San Francisco already has the nation's highest big city minimum wage. But it could soon have company, as labor and community activists in cities from Richmond to Sunnyvale push wage increases that could turn the Bay Area into a high-wage hub.

Activists in San Francisco, Oakland, Berkeley and Richmond are backing ballot measures that would raise the wage floor to \$15 an hour in some places by 2016. In Sunnyvale this week, the City Council proposed an ordinance to raise the minimum wage to \$10 an hour by 2016, nearly matching the rate in San Jose.

It's a regional approach designed to allay fears of politicians, who worry that raising wages will cause employers to move to places where they can pay workers less.

"It's so you don't have a sort of popcorn effect — with minimum wage proposals popping up here and there," said Gary Jimenez, a vice president of the Service Employees International Union 1021, which represents more than 54,000 public service workers in Northern California. He is also president of Lift Up Oakland, a coalition of union and community groups that turned in signatures Friday to raise the level in the East Bay city from \$8 to \$12.25 next year.

In Richmond, activists are proposing a ballot measure that would bump the minimum wage to \$12.25 next year. In Berkeley, activists want to raise the minimum wage to \$15 in 2016, the first year they can likely place something on the ballot.

Such increases probably won't cause businesses to skip town, according to Michael

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restaurants, prices go up about 0.7 percent for every 10 percent increase in the minimum wage, he said, "which is not enough to reduce sales measurably."

### Ballot measure

In April, activists in San Francisco filed the paperwork for a ballot measure that would give businesses with fewer than 100 employees until 2017 to lift wages to \$15 an hour. They must raise wages to \$13 an hour by 2015 and \$14 by 2016, according to the proposal. Companies with more than 100 employees would have until 2016 to raise wages to \$15 an hour from the current \$10.74.

Some small-business owners in San Francisco fear that upping the minimum wage could force them to consider layoffs, but the unemployment rate did not rise after the last minimum wage increase in the city in 2003. Even though San Francisco has also mandated universal health care and paid sick leave in addition to its higher minimum wage, private-sector employment grew 5.6 percent between 2004 and 2011, according to a recent study by UC Berkeley economists.

A year ago, San Jose raised its minimum wage from \$8 to \$10 an hour. Yet San Jose's unemployment rate has dropped while the number of hours worked has remained nearly the same, according to the U.S. Bureau of Labor Statistics

However, different fears are simmering in parts of Berkeley. City leaders have countered the proposed \$15 an hour wage by offering to raise the minimum wage to \$11.20 next year and \$12.53 in 2016.

Most of Berkeley's businesses "are very small. We're not Oakland or San Francisco or San Jose," said Polly Armstrong, CEO of the Berkeley Chamber of Commerce. "There is a tendency in Berkeley to do things with a big flourish.

“But if you put things on the ballot, there are going to be unintended consequences,”

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While politicians, business leaders and activists spar over the best way to close the wealth gap, minimum wage workers like Essence Hope wait for something to change.

Hope is 29 and has worked a series of minimum wage jobs since she graduated high school. She never wanted to go to college — academics weren't her strong suit — and began working a series of retail and food service jobs.

The single mom is struggling at an \$8-an-hour retail job in Oakland for an employer she prefers not to name. She said she has had to “reach out to family, friends, people from my church, charities, anything,” to help pay rent for the two-bedroom apartment she shares with her 6-year-old son.

After she received her tax refund this year, she gave it all to her longtime landlord to cover back rent. She wishes she had a few dollars left at the end of the month so her son could take a karate class or get some help to improve his academic skills.

“But there never is any,” Hope said. “I'm willing to work hard. I love being around people, that's my passion. But this is not enough to make it right now.”

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