

Uptown News San Diego

Gloria to propose minimum-wage hike

By Manny Lopez

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Anyone who has tried to pay rent, a utility bill or simply buy groceries in San Diego knows that minimum wage jobs aren't paying enough to keep families out of poverty. On March 24, Democrats on the City Council's economic development committee gave Council President Todd Gloria the thumbs up to collaborate with City Attorney Jan Goldsmith on a ballot proposal that, if approved, will raise the minimum wage and provide at least five earned sick days annually to all employees, regardless of industry or business type.

"San Diego needs to stand by its workers and lead in the region by developing a comprehensive policy that responds to the needs of its workers," Gloria stated in a press release. "I appreciate the action taken by my colleagues today, and ask for feedback and participation from all San Diegans to craft a responsible proposal for the voters to consider in November."

The proposal — presented by the Economic Development and Intergovernmental Relations Committee — ties pay rates to a cost-of-living index that would be updated annually. No specific dollar amount was discussed and a draft ordinance is expected to go before committee consideration on April 30. If approved, it could then be reviewed by the full City Council for the Nov. 4 ballot.

Councilmember Marti Emerald voted to advance the issue and said that a ballot measure is an appropriate step. Prior to the meeting, Emerald said that the sick days provision will create a healthier workforce, since employees would stay home without fear of losing pay or being fired, also reducing the risk of infecting their coworkers.

"We need to put it to the voters and let the voters decide about the standard of living we need and expect in the very expensive region," she said.

During the meeting, the Center on Policy Initiatives presented findings of a report by the Institute for Women's Policy Research — a labor-oriented think tank. The report estimated that in San Diego, 433,500 adult employees working in for-profit businesses lack paid sick days. Hispanics, leisure and hospitality, food service and construction workers were among the groups least likely to have access.

At \$8 per hour, California is one of nearly two-dozen states with laws that call for a minimum wage higher than the federally mandated \$7.25 according to the National Association of State Legislatures. On July 1, California's minimum hourly wage will rise to \$9 and then \$10 on Jan. 1, 2016. Currently, San Francisco has the highest minimum wage of any United States city at \$10.74 an hour.

"Almost 40 percent of all working age households in San Diego County cannot afford to meet basic needs without public or private assistance. This figure was 30 percent in pre-recession 2007. We're going in the wrong direction," Gloria stated in the release. "No one who works hard at a full-time job should be unable to pay for their shelter or food."

In an emailed statement, Mayor Kevin Faulconer differentiated between raising the minimum wage federally and in San Diego.

"I agree with the federal plan to raise the nation's minimum wage," Faulconer stated. "I believe this approach will benefit San Diego small businesses and protect jobs by ensuring our city remains on a level playing field with the rest of the country. I have concerns about any proposal that puts our city at a competitive disadvantage against other cities and believe any local proposal should undergo an independent 3rd party economic analysis to evaluate its impacts to our ability to attract, retain, and grow jobs on San Diego."

While many agree that alleviating poverty is an important goal, there are those who argue that raising the minimum wage will ultimately raise prices, harm employees and drive business away from San Diego.

"They're doing the wrong thing, because when companies go out of business there will be a tax base problem," said Arne Holt, proprietor of Caffé Calabria in North Park, who employs 33 people in three different companies. "We will survive, but employees will absolutely get laid off and customers will have to pay higher prices."

Joseph Sabia, an associate professor in San Diego State's economics department espoused a similar theory in a March 2014 paper published by the Cato Institute, a libertarian think tank.

"The minimum wage fails to reduce net poverty because of its adverse effects on employment and poor ability to target workers living in households below the poverty threshold. Worse, focusing on minimum wage increases to alleviate poverty diverts attention from public policies that promote employment and incentivize human capital investment that are far more effective ways to raise incomes and alleviate poverty,"

The Council President's report and related documents are available online under Item 2.