

SAN FRANCISCO RAISES MINIMUM WAGE AND FEARS OF LAYOFFS



The minimum wage has a fractious political history. Some people see it as a great way to make sure that the people who need a job are paid a wage that they can actually live off of. Other people tout it as a bane to the small business of the nation, who might be able to hire more people at a lower rate. The truth is probably somewhere in between, as staff costs can discourage hiring, but paying a wage that would make Ebenezer Scrooge happy is not fair to the dedicated and diligent workers of companies of all sizes. Not to mention that since the minimum wage applies to all business, larger corporations would have no problem exploiting a no minimum wage policy in the name of profit. As it turns out the city by the bay, San Francisco, is going to be making some minimum wage history as they become the very first city in the United States to require a minimum wage of at least \$10 an hour. The official number for the city will be \$10.24 an hour. That number will put the city roughly \$2 above the number that is set by the state of California and just about \$3 more than the minimum wage that is allowed by the federal government. This decision is really not that surprising when you consider that San Francisco is one of the most expensive cities in the nation to live in. This pay increase is due to a vote that was taken before the economy went bust. Back in 2003 the citizens of the city voted to pass a proposition that requires the city to increase the minimum wage each year. While the proposition does not require any specific amount of increase the raise is tied to a formula. This formula raises the minimum wage based on a formula that uses factors such as the cost of living and the current inflation rate. The San Francisco Living Wage Coalition has released information showing that the correct wage for some living in this city would actually be about \$15 an hour, but any move in the right direction is a good one. If you have even one child that number actually doubles according to those same numbers. Karl Kramer, who works for the San Francisco Living Wage Coalition, told the following to a [reporter for ABC news](#), "It helps workers' morale in a time of economic crisis; they feel that they're able to tread water and get some relief from the recession." In addition to the highest minimum wage in the nation the city has a variety of other unique taxes for its workers. If, for example, an employer fails to provide their staff with health insurance the company will have to pay an extra \$1.23 to \$1.85 per hour, per employee in order to get them health-care coverage. The city requires that employees have at least nine paid sick days available to them each year. The city also charges a payroll tax of 1.5 percent.

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