

SACRAMENTO, Calif. — A deal to raise California's minimum wage to a nation-leading \$15 an hour could help some workers earn enough to get by in one of the nation's costliest states. It might also cause other low-wage earners to lose their jobs altogether, economists say.

California's economy is larger than that of most countries, with a wide range of incomes. While new millionaires buy mansions in the San Francisco Bay Area, some Central Valley farmworkers lack access to clean water. A jump from the current \$10 an hour to \$15 over the next six years would affect millions.

Rafael Gutierrez, a 53-year-old farmworker, said the increase would let him treat his family to weekend dinners out and a short vacation to Disneyland.

His last job picking peaches and grapes paid \$11 an hour, and his girlfriend makes \$14 an hour at Target. Although their region is far from California's most expensive, "Right now, we're just making it," Gutierrez said. "Life is expensive."

### **Prediction: Farm Hiring Will Fall**

And then there are employers such as Chuck Herrin. He owns Sunrise Farm Labor, which hires roughly 2,500 workers each year for growers in the San Joaquin Valley. Herrin predicted farmers would hire 10 percent fewer workers because of the higher cost of business.

"It's going to be devastating," said Herrin of the impact on fieldworkers and their families.

On Monday, Governor Jerry Brown said the deal with lawmakers and labor leaders would be historic and called it a matter of justice. Under the proposal, the minimum wage would rise gradually, reaching \$15 by 2022.

After that, wages would rise with inflation, although in tough economic times the governor could delay increases.

The Legislature passed the measure on Thursday afternoon. Brown is expected to sign it on Monday.

### **It's Expensive To Live In California**

The raise would create the nation's highest statewide minimum wage. California and Massachusetts are the current highest at \$10, and the federal minimum wage is \$7.25.

Oregon's governor signed legislation this year that would raise wages by 2022 depending on location. In Portland, the minimum will rise to \$14.75, and rural areas would see an increase to \$12.50.

The gap between rich and poor has become a top issue nationally. President Barack Obama has proposed an increase to the federal minimum wage, and Democratic presidential candidate Bernie Sanders is pushing \$15-per-hour.

In California, gas, housing, food and other essentials can be expensive. While the mid-range price of homes sold in the state is about \$400,000, a home in San Francisco or parts of Los Angeles can easily top \$1 million.

About 4 million workers in California earn \$10 to \$15 an hour, according to Jeffrey Clemens, an economics professor at the University of California, San Diego. Economists study how money is made and spent.

"The key question is what fraction of these workers will be lifted to the new minimum and what fraction will lose their jobs," Clemens wrote in an email.

### **One Economist Calls Wage Increase "Reckless"**

Advocates for the wage increase said about 6 million would get pay raises.

Economists including Clemens said it is tough to know what will happen in California.

One leading economist said an increase from \$10 to \$15 would reduce employment among the least-skilled workers by at least 5 to 10 percent. But the impact on employment might be even bigger because employers would have to absorb significantly higher costs.

"I would go so far as to call this reckless," said David Neumark, an economics professor at the University of California, Irvine.

Neumark said that in high-wage counties such as San Francisco and Santa Clara, about 22 percent of workers would get a raise. In low-wage places such as Fresno and Merced counties, about half the workers would see more money.

### **Labor Is Already Expensive**

Brian Hibbs, owner of comic book and graphic novel store Comix Experience, said he supports the idea of a minimum standard of living. He thinks the raise won't accomplish that, however, because it will hurt small businesses. If he does not do more business, he might have to close.

"I don't think this was thought through," he said. "The cost of labor is so high. It's very, very difficult to run a profitable business at this point."

Yasmin Fernandez is an activist who wants a higher minimum wage. She works in San Jose as a cashier at a gas station in the morning and at a Panda Express restaurant in the afternoon and evening.

The 34-year-old said she takes home about \$2,400 per month after taxes. After paying her living expenses and helping her widowed mother, sick brother and four nephews back in Mexico, she usually has about \$150 left for herself. She works from 6 a.m. to 11:30 p.m. almost every day.

A higher minimum wage will be heavenly, she said. It would offer "a little more money for me, to maybe go to a concert or do something fun once in a while," as well as "help my family even more."

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