Employers to Face Rising Minimum Wages on January 1



Employers to Face Rising Minimum Wages On January 1, Despite Continued COVID-19 Struggles

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More than 80 jurisdictions are poised to raise their minimum wages in 2021.

25 States Plan To Raise Their Minimum Wages

Washington, D.C. (**Dec. 18, 2020**)– Today, the Employment Policies Institute released a new comprehensive guide to state and local minimum wages. The chart shows 25 states and 56

cities and counties plan to raise their minimum wages in the new year, showing no mercy for businesses struggling to stay open during the pandemic.

The highest state-level rates will be in California ($14 per hour), Washington ($13.69 per hour), and Massachusetts ($13.50 per hour). Many of the states and cities with the highest wages are also scheduled to increase annually.

Emeryville, CA is projected to reach $17 per hour according to inflation estimates, while six more California and Washington cities will also top $16 this year, including Sunnyvale, CA and Seattle, WA.

Fourteen states have additional increases scheduled for 2022 and beyond, including seven states on track to raise their minimum wages annually until they reach $15.

The full list of U.S. states, counties, and cities raising their minimum wages can be found here.

The Adverse Effects Of Raising Wages

The adverse effects of raising minimum wages are well-documented by economists, and the preponderance of research supports this conclusion. In 2019, the nonpartisan Congressional Budget Office estimated that a national $15 minimum wage would result in the loss of 1.3 to 3.7 million jobs. Economists at Miami and Trinity Universities updated this analysis in October, finding that a $15 minimum wage across the country would cut over 2 million jobs – nearly half of which would be in restaurants and bars.

Many of these local areas have already surpassed the $15 mark, and more states are on the path to reach $15 in the near future.

“Minimum wage increases are demonstrated to cause job losses even in times of economic health,” said Michael Saltsman, Managing Director of the Employment Policies Institute. “These states and local areas are increasing the cost of labor as businesses are dealing with forced closures or a drastic drop in revenue. Employers and employees will pay the price for these misguided good intentions.”

Founded in 1991, the Employment Policies Institute is a non-profit research organization dedicated to studying public policy issues surrounding employment growth. In particular, EPI focuses on issues that affect entry-level employment. Learn more at EPIOnline.org.

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