

THE WALL STREET JOURNAL.

FLORIDA'S APPROVAL OF \$15 MINIMUM WAGE SETS UP BATTLE IN OTHER STATES

Advocates prepare to take up state-by-state fights with federal increase in doubt.

By Justin Baer
November 27, 2020

Florida voters' approval of a \$15 minimum wage is fueling the hopes of advocates who aim to pass similar measures in other states, though still-elevated unemployment and lower costs of living in rural areas remain challenges.

More than 60 percent of Florida voters supported Amendment 2 this month, setting the state on a path to a \$15-an-hour minimum wage by 2026. The measure's success was notable because of Florida's conservative leanings and the struggles its vital tourism industry, where many low-wage workers are employed, has faced this year as it dealt with the shutdowns and travel restrictions brought on by the coronavirus pandemic. Florida's governor is a Republican, and voters there backed President Trump's re-election bid.

The Florida measure's success has encouraged proponents in some Republican-controlled states, including Ohio, to revive campaigns to put minimum wage increases on their ballots. And in Delaware and other states with Democrat-led legislatures, advocates plan to pursue \$15 minimum-wage bills next year.

More than half of US states have approved minimum-wage increases since 2014. Still, the jump to \$15 is a steep one, especially with the federal wage floor sitting at \$7.25 an hour since 2009. Most of the other seven states that have set a path to a \$15 minimum wage are Democratic strongholds, such as California, Illinois and New Jersey.

President-elect Joe Biden campaigned to raise the federal minimum to \$15, but a narrowly divided Congress has cast doubt on its legislative prospects.

If the Senate doesn't act "you'll likely see more states raising the wage," said Paul Sonn, state policy program director of the National Employment Law Project, which has advocated for a higher wage floor.

Supporters of a \$15 minimum wage say it would help eliminate poverty among the working poor and narrow income inequality.

Opponents point to studies showing that raising the minimum wage can cost jobs, depending on how much it is lifted compared with a state's prevailing wage level, cost of living and labor demand. That concern could be heightened for voters and lawmakers at a time when the coronavirus pandemic has caused millions to lose their jobs, especially in states where most restaurant workers and retail clerks currently earn less than \$15 an hour.

"A sharp increase in labor costs for many small businesses, particularly those in rural areas, could be devastating," said Matthew Haller, senior vice president for government relations

at the International Franchise Association. "Especially during the pandemic when they are already stretched and without customers coming in the door."

The US job market, through October, recovered 12.1 million of the 22 million jobs lost in March and April when the pandemic drove widespread shutdowns and other curbs on businesses. Job losses were among the most severe in hospitality and food service, positions some economists say are also vulnerable to being eliminated if minimum wages rise.

The nonpartisan Congressional Budget Office found last year, before the pandemic, that raising the national minimum wage to \$15 an hour would cost 1.3 million Americans their jobs, while lifting the same number out of poverty.

Minimum-wage proponents in Ohio and Idaho were forced to abandon campaigns earlier this year to include minimum-wage increases on their states' November ballot. The pandemic prompted the cancellation of several large events organizers had counted on to collect signatures for a ballot measure.

The scuttled effort in Ohio would have sought to raise the state wage floor to \$13 by 2025 from \$8.70 this year. Ohio advocates will consider proposing an increase to \$15 in future ballot initiatives. "It's definitely on the table," said James Hayes, deputy director of Ohio Voice, one of the groups that led the initiative.

"The Ohio Chamber stands ready to push back against those efforts," said Kevin Shimp, director of labor and legal affairs for the Chamber. The state's minimum wage has been rising with inflation since voters passed a ballot initiative in 2006. Lifting the floor again is unnecessary, he said, especially when numerous businesses are lifting employee pay to remain competitive.

Organizers of the attempt to lift Idaho's minimum wage said they are starting work for the next cycle. The vote in Florida confirmed a trend they spotted in 2018 when Arkansas approved an \$11-an-hour minimum wage. They sought an increase to a \$12-an-hour minimum, from \$7.25, suggesting \$15 was too high in mostly rural Idaho.

In Delaware, a \$15 wage floor bill introduced by State Sen. Darius Brown failed to win passage before the state's General Assembly session ended in July. That state's current minimum wage is \$9.25. Encouraged by Mr. Biden's campaign promises and the Florida vote, Mr. Brown said he and his colleagues will try again in 2021.

In Colorado and Maine, cities have passed laws setting local wages on a path toward \$15 an hour, and above the statewide floors. State measures doing the same could follow, Mr. Sonn said. He said the pandemic has increased public support for low-wage workers, many of whom were deemed essential employees.

"A minimum-wage increase is in reality a long overdue raise for essential workers in sectors like retail, fast food, home care and nursing homes that are sustaining the nation during the pandemic," Mr. Sonn said.