



# The District's Dime

Going Beyond the Budget Book

The DC Fiscal Policy Institute blog  
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## New York and California Are Moving Forward on Minimum Wage and Paid Family Leave – And So Should DC!

By Ilana Boivie

Both New York and California have made huge gains for workers recently, with legislation on paid family leave and increasing the minimum wage to \$15 per hour. The District has been considering both of these policies, and would do well to be the next jurisdiction to adopt them.

These steps would go a long way to help DC's workforce, especially low-income workers who are struggling in an economy marked by [falling wages for high-school graduates](#). Roughly 31,000 DC workers need to take leave each year but do not – nearly half because they cannot afford it. Paid family leave will help these workers take the leave they need without having to risk their family's financial security or losing their job. And a \$15 minimum wage is the precise wage needed to survive as a single worker in DC, according to [research from the Massachusetts Institute of Technology](#). (They calculate that for a family of four, a living wage is \$20.)

As the cost of living continues to rise in the District, both of these policies should be passed soon, so that District workers can benefit from them.

Here is how the new laws in California and New York will work:

### **Paid Family Leave: DC Should Take the Best of NY and CA Approaches**

**12 Weeks of Paid Family Leave in New York:** Workers in New York will be able to take 12 weeks of paid leave per year to be with a new child, care for an ill relative, or provide assistance related to military service. Benefits will replace 2/3 of a worker's salary up to a maximum, which will be based on the average statewide weekly wage rate (currently about [\\$1,300](#)). Current law in New York already mandates 26 weeks of paid medical leave.

**California Raises Benefits for Workers Taking Family Leave:** Workers in California already can take paid medical leave for 52 weeks and family leave for 6 weeks; the new provision will boost family benefits from 55 to 60 percent of salary for most workers, and up to 70 percent of salary for the lowest-income workers. This change came after a report found that low-income workers are least likely to take leave, because replacing just 55 percent of a low wage is not enough to live on. The maximum weekly benefit in California is \$1,100 per week.

**How DC Can Move Forward:** The proposal in DC would take the best from these two states, by giving residents enough time off to care for themselves or their family, and by ensuring benefits are sufficient to allow workers to actually take time off. The "[discussion draft](#)" of the bill now being considered would provide 12 weeks, like California. The wage replacement rate would start at 90 percent for low-income workers and decline for higher-wage workers, with a \$1,500 weekly cap.

## **Minimum Wage: \$15 in Both NY and CA**

Policymakers in both California and New York agree that a \$15 minimum wage makes sense, and they only differ on timing. New York City will reach \$15 an hour in 2018; the NYC suburbs will get there by 2021; and the rest of the state will take a later timeframe. In California, the minimum wage will be raised to \$15 statewide by 2022. After that, the wage will increase with inflation.

Regarding tipped workers, the California bill fully covers these workers, while the New York law does not. The minimum wage for tipped workers in New York was increased in January to \$7.50 per hour, increasing to \$10 by 2020.

**How DC Can Move Forward:** DC's minimum wage campaign would place an initiative on the November 2016 ballot to raise the wage to \$15 per hour by 2020 (reaching that level after New York City and before California), with inflation adjustments after that. Tipped workers at restaurants and other businesses also would see wages rise to \$15 an hour – they currently earn just \$2.77 plus tips – but this would be phased in through 2025. The initiative will appear on the ballot if supporters collect enough valid signatures.

Mayor Bowser also has endorsed [a \\$15 minimum wage](#), but the specific details of her plan, such as timing and treatment of tipped workers, are still forthcoming. We hope that it will closely follow the ballot initiative.