

Adjusting minimum wages for inflation is a necessary yet modest step toward protecting affordability for low-wage workers

The case of California's Fast Food Council

Report • By Josh Bivens and Ben Zipperer • March 23, 2026

In 2024, the California Fast Food Council—composed of worker, industry, and government representatives—instituted a \$20 minimum wage for workers at large chain fast-food restaurants. The Council is also empowered to protect this new wage standard from inflation by raising it by the annualized increase in the consumer price index or 3.5%, whichever is lower.

The Council was preparing to discuss a wage adjustment in June 2025 when the chair resigned. It is expected to take up the issue when the governor names a new chair, which has yet to happen. Given that almost two years have passed since the initial setting of the \$20 wage standard—a year and a half that has seen continued inflation—the Council should prioritize this cost-of-living adjustment in 2026 to prevent rising prices from erasing the gains made by fast-food workers. One impediment to this adjustment is opposition from fast-food restaurant operators, who argue that raising workers’ pay to \$20 damaged their businesses and that they cannot absorb any further increases.

This debate in California between fast-food workers and employers highlights the importance of regular and automatic adjustments to wage standards (like minimum wages) that ensure inflation-adjusted living standards for low-wage workers do not erode over time.

Indexation is often an afterthought in debates over wage standards. But it can turn out to be the most important part of any policy that sets a wage standard. This report examines salient issues related to indexing wage standards and offers recommendations for policymakers. Its key arguments are:

- Wage standards are necessary and efficient because of unbalanced power in labor markets.
- Wage standards that are fixed in nominal terms and have no automatic adjustment (like the federal minimum wage) get weaker every single year that passes without a legislated increase. The cumulative erosion of inflation-adjusted wage standards often exceeds the initial legislated increase.
 - For example, in inflation-adjusted terms, the federal minimum wage today is lower than it was in 2007, the last time a new standard was passed

SECTIONS

1. Wage standards are necessary because of unbalanced labor market power • 2
2. California’s fast-food minimum wage has had minimal employment effects • 4
3. Why wage standards need to be automatically adjusted • 5
4. Price indexing wage standards is a necessary and conservative policy • 7
5. Different groups face different inflation rates: The case for discretion in indexing • 9

Notes • 11

References • 12

into law.

- Mandating higher wages for any group of workers will set off a chain of adjustments elsewhere in labor and product markets. What these adjustments eventually mean for relative incomes, prices, and employment is an empirical question.
 - Thankfully, minimum wage increases are some of the most well-studied events in economics, and the weight of empirical evidence is that they do not measurably increase overall inflation or lead to significant job loss, but they *do* raise the inflation-adjusted pay of targeted workers.
- Adjusting wage standards only for increases in inflation is actually a conservative policy in the sense of minimizing potential burdens on low-wage employers. More ambitious targets for adjustment—like wages or even productivity—could be preferable depending on the specific case.
 - In the case of the California Fast Food Council, providing a price-based adjustment to account for inflation since the initial adoption of the \$20 minimum wage in April 2024 is an appropriate and *modest* step.
 - A 3.5% increase in the wage standard—the maximum adjustment the Council can recommend—is also conservative because it will only partially offset the actual 4.2% cost of living increase since April 2024 and because it does not account for ongoing productivity improvements in the sector.
- Over the past decade—and continuing since April 2024—the inflation rate faced by lower-income households has been higher than the overall inflation rate, largely because housing is a higher share of lower-income households’ budget. This means indexing based on the average inflation rate would fail to fully restore the affordability lost to fast-food workers since the enactment of the \$20 wage standard, making such an adjustment even more modest (and even more necessary).

Wage standards are necessary because of unbalanced labor market power

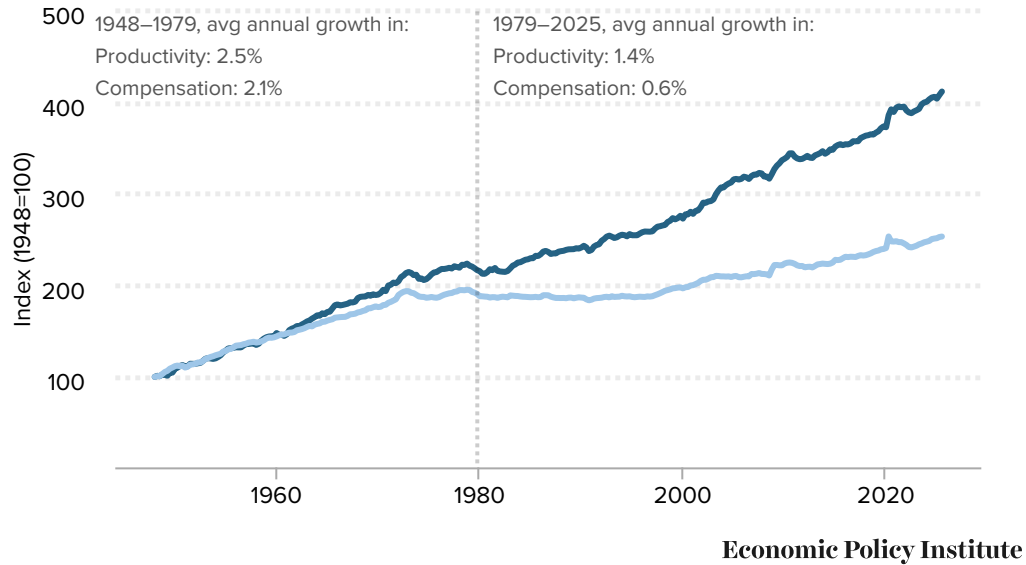
Modern labor markets—particularly those that low-wage workers participate in—are characterized by significant employer power. Low-wage employers rarely if ever negotiate pay with workers, instead posting take-it-or-leave-it wage offers. Further, when a given employer lets its own wages lag those of potential competitors, workers’ exit from the lower-wage firm is far less common than would be predicted under truly competitive labor markets where employers robustly compete for workers.

The seminal source for modeling labor markets as situations where employers have substantial wage-setting power is Manning (2003), who describes this situation as one of “monopsony” power in labor markets. The literal definition of monopsony is a market with a single buyer. At points in history (think 19th century “company towns” in rural and isolated areas) this kind of literal monopsony may have existed. But Manning and those who have built on this work point to several features and frictions in real-world labor markets that

Figure A

The gap between productivity and a typical worker's compensation has increased dramatically since 1979

Productivity and hourly compensation indexed to 1948 values



Notes: Data are for compensation (wages and benefits) of production/nonsupervisory workers in the private sector and net productivity of the total economy. “Net productivity” is the growth of output of goods and services less depreciation per hour worked.

Source: EPI analysis of productivity data from Bureau of Labor Statistics and Bureau of Economic Analysis data.

make it hard for workers to effectively search for better jobs. These job search barriers effectively grant employers excess market power over workers even when there are numerous employers. Some of these frictions include things like lack of information about wages and other policies of alternative employers, transportation restrictions that require workers to look for jobs only in places near their home or public transit nodes, child care considerations that require a job’s location be compatible with picking up kids at a regular time, along with many other factors.

Employers use these barriers to employees finding better outside options to “mark down” wages below what would be necessary for employers to attract and retain workers in competitive labor markets. These markdowns can be large enough to push workers’ pay well below the value they produce for the employer, making pay levels inefficient.

At the level of the total economy, the excess power of employers in labor markets and their ability to markdown wages can be seen in the gap between economy-wide productivity (the amount of income generated in an average hour of work in the economy) and the hourly pay (including benefits) of typical workers.

Wage standards—like minimum wages—can correct for this excess employer power. This leaves low-wage workers with higher pay and living standards and moves the economy to a more efficient allocation of workers across jobs. It can in theory even lead to an *increase*

in employment. This degree of employer power in labor markets and the inefficiency of labor market outcomes without wage standards help explain the general empirical finding that minimum wage increases in the United States have not caused significant employment declines, a finding that is counter to what one would expect if labor markets were competitive.¹

California’s fast-food minimum wage has had minimal employment effects

Current evidence suggests that California’s fast-food minimum wage is no different in that it has raised wages without causing large, negative employment reductions. There are four studies on the specific wage and employment effects of the California fast-food minimum wage. Three studies show both sizable earnings effects and limited-to-no employment changes. One analysis, in contrast to the other three studies, shows moderately negative employment effects, but also found the policy raised the total earnings of fast-food workers.

Schneider, Harknett, and Bruey (2024) surveyed fast-food workers in large chains and showed that relative to other states, the California policy raised wages and had no effect on the usual number of hours of fast-food workers in the quarter after the minimum wage change. With data from Equifax, Hamdi and Sovich (2025) compared fast-food establishments within large firms across different states and found that California fast-food establishments raised wages by about 12% and increased employment by a statistically insignificant 2%. Sosinskiy and Reich (2025) used data from the Quarterly Census of Employment and Wages (QCEW) to study employment and earnings trends in fast-food restaurants in California relative to those in other states and to full-service restaurants in California, which are not directly bound by the fast-food minimum wage. The authors’ preferred specification estimated a wage increase of about 7% and an employment decline of just under 1% that was statistically indistinguishable from zero. Finally, Clemens, Edwards, and Meer (2025) used QCEW data and estimated a similar wage increase of about 8%, but also a statistically significant employment decline of over 3%.²

In interpreting employment changes from a minimum wage increase, it’s best to compare the size of estimated wage effects with the estimated employment effects. The ratio of these two estimates—the own-wage elasticity of employment³—helps to gauge whether any employment changes were small or large relative to how much the policy actually raised wages. When the ratio is more positive than -1, total fast-food worker earnings rose even after accounting for potential employment losses. Standardizing the estimates by dividing employment and wage effects also allows us to make consistent comparisons across these studies and with studies of other minimum wage increases.

For the three studies where it is possible to calculate them, the own-wage elasticities are 0.19 (Hamdi and Sovich 2025), -0.12 (Sosinskiy and Reich 2025), and -0.40 (Clemens, Edwards, and Meer 2025). The first two are consistent with small or no employment impacts, but the last one moves into “medium negative” territory. All three studies’

estimates imply that the policy increased the aggregate earnings of fast-food workers, but the last study implies that employment losses caused fast-food workers to receive only about 60% of the *potential* earnings increase spurred by the minimum wage hike.

Even though Sosinskiy and Reich (2025) and Clemens, Edwards, and Meer (2025) use similar data, one important difference is that the Sosinskiy and Reich (2025) study controls for population changes. Net immigration rapidly fell after the implementation of the policy, disproportionately affecting California's population levels. For example, according to the latest Census estimates, California's resident population did not grow in 2025, whereas the rest of the country's population grew by about 0.5%. Not accounting for these different population trends between California and elsewhere could cause an analysis to overstate any employment declines stemming from the policy, particularly if fast-food employment levels are sensitive to falling labor supply or a shrinking customer base. In their appendix, Sosinskiy and Reich (2025) find that ignoring population changes causes their estimates to be more negative.

In addition, when selecting a comparison group for fast-food workers, Clemens, Edwards, and Meer (2025) use fast-food workers in other states and high-wage industries in California, but they do not directly compare the California fast-food sector with the California full-service sector, which is not covered by the policy. Comparing the two sectors would be especially useful for capturing underlying economic trends if slowing population growth is driving declines in both fast-food and full-service employment levels. Indeed, Clemens, Edwards, and Meer (2025) show that the policy did not raise wages in the California full-service sector, but full-service employment in California declined by close to 2%. Failing to account for this decline in full-service employment also causes the Clemens, Edwards, and Meer (2025) estimates to be more negative.

Regardless of the source of these differences, the average own-wage elasticity across the three studies is -0.11 , suggesting that the fast-food policy was successful in raising wages without causing sizable job losses. This point estimate is very similar to the median elasticity of all published minimum wage studies on restaurants (see Dube and Zipperer 2025). However, even if the policy were associated with larger employment reductions, measured job losses may still overstate the consequences for low-wage workers. First, lower headcount employment in the fast-food sector does not automatically translate into reduced employment or lower wages for low-wage workers if they move to other low-wage jobs, like retail, where they must be paid at least the California \$16.90 minimum wage. Second, a measured decline in headcounts in a high turnover sector like fast-food is more likely to manifest as more weeks in between jobs rather than being shut out of work completely; in that case, some fast-food workers would indeed be working less but earning more money over the course of the year due to higher hourly wage rates.⁴

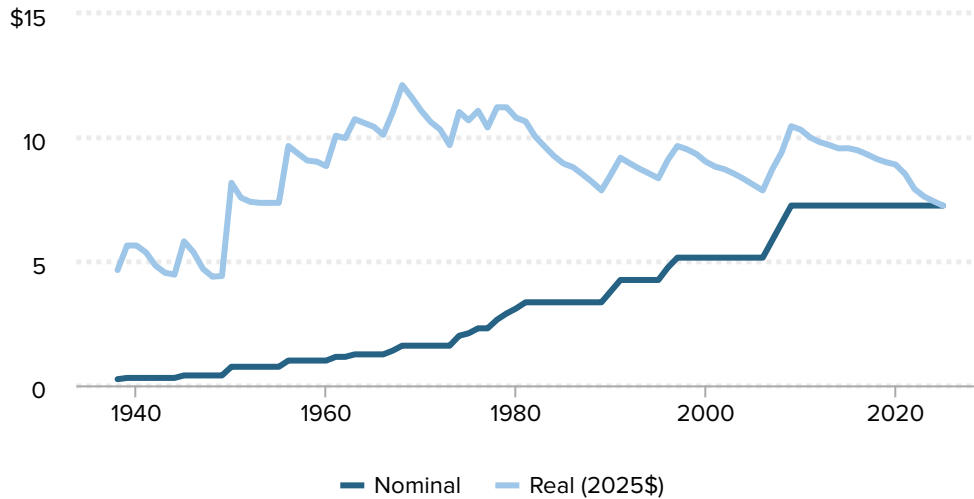
Why wage standards need to be automatically adjusted

If wage standards stay fixed in nominal terms, they are reduced in *real* (inflation-adjusted)

Figure B

Real value of the federal minimum wage has often been eroded by failure to index to prices

Real (2025\$) and nominal value of federal minimum wage, 1938–2025



Economic Policy Institute

Source: Economic Policy Institute, State of Working America Data Library, "Minimum wage - Real minimum wage (2025\$)," 2026

terms every year inflation is nonzero. When there is a burst of rapid inflation, these real wage cuts get large very quickly. In fact, steady inflation can combine with policy inaction to leave wage standards lower in real terms than they were the last time a legislated increase happened.

Take the example of the federal minimum wage. Its current value of \$7.25 came into effect in 2009. Today's inflation-adjusted value of the federal minimum wage is almost 40% lower than its historic peak. It reached this peak in 1968, in an economy where productivity (the income generated in an average hour of work in the economy) was just 46% as high as it is in 2025.⁵

Adjusted for inflation, the 2025 value of the federal minimum wage is in fact lower than it was in 2007 when the U.S. Congress and president last signed a legislated increase into law. Put simply, without effective and automatic indexation, higher wage standards can be eroded almost entirely over time.

Today's debate over the cost-of-living adjustment to the California Fast Food Council's minimum wage often frames such adjustments as imposing new burdens on low-wage employers. But inflation since April 2024 means that the real minimum wage paid to California's fast-food workers has been steadily cut since then. From April 2024 to January 2026, as measured by the consumer price index for all urban wage earners (CPI-W), this cut amounts to 4.2%. Without indexation, any burden on employers from this wage standard has fallen considerably since its adoption, providing a windfall to low-wage

employers at the expense of their frontline employees. A failure to regularly index for inflation is essentially a backdoor method for unraveling the wage standard that policymakers passed into law.

Price indexing wage standards is a necessary and conservative policy

Raising wage standards each year by an amount equal to inflation holds low-wage workers' living standards steady at the level that prevailed when the wage standards were set. For example, the \$20 minimum wage for fast-food workers in large chains in California came into effect in April 2024. If these wages are indexed regularly to account for inflation since then, this will keep California fast-food workers' living standards frozen at April 2024 levels going forward.

This is a clear improvement compared with outright erosion of living standards. But it remains the case that price indexing wage standards is a conservative policy in the sense that it minimizes any potential burdens on low-wage employers. It is a conservative policy for two reasons: (1) indexed wage changes are very small relative to the initial phase-in of wage standards, and (2) indexing for prices allows productivity growth in the wider economy to steadily reduce any potential burden or need for adjustment imposed by wage standards.

Price indexations are very small increases to wage standards

The increases to wage standards that result from price indexation are significantly smaller than the increases that result when the standards are initially phased in. For example, say that the last federal minimum wage increase in 2009 also indexed for subsequent price changes. The initial phase-in of the higher federal minimum wage saw it rise from \$5.15 to \$7.25 between 2007 and 2009. This constituted an average annual change of 19% for these two years. The average annual inflation rate (measured by the consumer price index for all items) between 2007 and 2024 was just 2.5%.

If the initial introduction of higher wage standards does not cause problematic outcomes, then it is very hard to see how the much smaller changes spurred by indexation for price changes would cause any.

The research on minimum wages provides very little reason to worry that changes in the United States in recent decades have caused any such problematic outcomes. The most commonly expressed worries about minimum wage increases are employment losses and upward price pressure.

We noted earlier that studies looking specifically at the California wage standard continue a common pattern in research on the employment effects of phased-in minimum wages:

Employment declines caused by these minimum wage changes tend to be extremely modest or even zero on average. If one applied the modest measured employment losses stemming from the large initial increase in fast-food wages to the much smaller indexed adjustments, these already small employment losses become totally trivial.

The same logic holds regarding potential upward price pressures stemming from indexation: Compared with the initial setting of wage standards, indexed changes are very small and therefore unlikely to push up prices.

It is a fact that one person's income is another person's cost, so as low-wage workers' pay rises, this raises costs for their employers. These employers could pass on these costs (in part or in full) to their customers by raising prices. But even if the *entirety* of the wage increases driven by price indexing wage standards was passed on in the form of price increases, overall price pressures would be extremely modest and low-wage workers would still unambiguously come out ahead.

Say that low-wage workers' pay constitutes a third of labor costs in the fast-food sector, and that labor costs in turn constitute a third of total costs of fast food.⁶ If low-wage workers' pay rises by 3.5% due to price indexing, this would increase prices the employer charges customers by less than 0.4% even if the full amount was passed on as price increases. Because fast food accounts for less than 3% of the overall inflation consumption basket, even a 0.4% increase in fast-food prices would raise overall prices by only 0.01%.

Price indexing still sees reductions in low-wage workers' relative pay and allows productivity growth to steadily erode any potential burden on low-wage employers

We noted earlier that price indexing a minimum wage essentially holds low-wage workers' pay frozen thereafter *at the level that prevailed when the wage was introduced*. Again, this is better than allowing inflation to erode the real value of pay, but *average* incomes throughout the overall economy are not frozen over time in real terms. Instead, they rise faster than prices over any reasonable period. Inequality often keeps this growth in average living standards from reaching many (or even most) workers and families in the economy, but the potential for living standards to rise is generated every year of positive economic growth.

This means that even when wage standards are indexed to prices, low-wage workers' *relative* standing in the economy still falls over time. Further, because low-wage workers' earnings are a cost to their employers, this means that even with price indexing, any potential burden of wage standards on low-wage employers slightly *declines* any year that productivity rises. In this sense, price indexing of wage standards—providing regular cost-of-living adjustments based on price growth—is a conservative policy that allows the costs and benefits of wage standards to slowly erode over time relative to developments in the larger economy.

A quick example can help make this point. Say that pay for low-wage workers at a particular employer amounts to 20% of the final price of the firm's output. Say that productivity (how much output is generated with each hour of work) rises by 2% per year. If low-wage workers' pay rises only with inflation (and not with productivity) and all other firm costs rise with inflation *and* productivity, this implies that over 10 years the share of low-wage workers' pay in total costs would fall to just 16.4% of total costs. Employers could use this decline in real costs to either lower their prices to consumers or raise their profit margins. Either way, so long as there is any growth in productivity, the burden of low-wage workers' pay to employers falls even when this pay is indexed to inflation.

Price indexing is not the only option for adjusting wage standards. One could, for example, index growth in minimum wages to growth in wages at other parts of the wage distribution—growth in the median wage for example.⁷ An even more ambitious indexing choice would be to match wage changes to changes in average wages or even economy-wide productivity.⁸

The obvious benefit of using these alternative wage indexations would be faster wage growth and higher living standards for low-wage workers. The potential downside is that they do not allow any potential burden from higher wages for employers to relent over time—meaning that if the initial setting of wage standards is high enough to cause problematic outcomes (job losses or rapid price increases), then this would not smooth over time with wage indexation. Price indexation, conversely, would actually allow any higher than optimal initial wage standard to become less binding over time. In this sense, it is a conservative choice that is highly responsive to the pressures faced by low-wage employers.

In the case of the California Fast Food Council, the \$20 minimum wage enacted in 2024 was an admirably ambitious standard. There is little persuasive evidence that it is too high in that it has caused any problematic outcomes on either the employment loss or price increase fronts. Yet it was high enough to provide a significant wage boost for affected workers. For these types of ambitious standards, indexing to prices seems necessary to protect workers' gains yet conservative in that it puts declining pressure on low-wage employers over time. Further, since 2019, the limited-service restaurant sector has seen significant productivity growth—roughly 2% per year—which should allow any price indexation to be easily absorbed with no wrenching adjustments for employers.⁹

Different groups face different inflation rates: The case for discretion in indexing

The benefit of indexing wage standards for inflation is the protection it provides for the living standards of low-wage workers. The costs are the various adjustments or burdens forced onto employers. Because the group of low-wage workers and employers are heterogenous, and because inflation is measured by the aggregation of price changes

across the entire economy, there remains room for judgement and discretion in balancing these costs and benefits.

The California Fast Food Council has some discretion, as they can either index wages up to 3.5% for inflation or they can decline to index these wages and let them be eroded.

We noted before that indexing only for prices (as opposed to indexing for wages or productivity growth) results in a steady reduction in any economic burden wage standards might place on employers. So long as these employers see any growth in productivity (the efficiency with which each hour of labor generates output), then having some portion of their wage costs fixed in real terms will see these costs become a progressively smaller share of total output over time. In this sense, simply choosing to index by prices means the cost of wage standards to employers is set to shrink consistently over time.

In terms of the benefits to low-wage workers, recent years have seen a large jump in the overall price level. Any given episode of inflation is likely to have uneven effects across groups in the economy. For example, the inflation of the 1970s was actually accompanied by an *increase* in real wages, even for low-wage workers.¹⁰ The inflationary spike in 2021 and 2022, conversely, was largely driven by large increases in profit margins, which meant that real wages for most workers fell in those years.

More systematically, inflation faced by various groups in the economy can diverge if they have different consumption baskets that skew average price growth in a predictable way. For example, housing makes up a larger share of consumption spending for lower-income households than higher-income households, and in recent decades the price of housing as measured by the consumer price index has slightly outpaced overall price growth. This implies that inflation faced by lower-income households has likely been systematically higher than that faced by higher-income households. This makes the overall CPI that informs discussions of wage indexation inadequate for fully protecting lower-wage workers from inflation in recent years.

Concretely, the CPI-W, which is the price index the Council can target, has risen by 4.2% since April 2024. This means that a 3.5% cost of living adjustment—the largest that can be granted by the Fast Food Council—would not quite neutralize the affordability losses experienced by workers since the \$20 minimum wage was enacted. Research from the Federal Reserve Bank of New York (2025) indicates that households in the bottom 40% of the income distribution saw inflation between April 2024 and August 2025 (the most recent data point available) that averaged 0.2% higher than overall inflation. This means actual inflation faced by many fast-food workers in California exceeded 4% since the introduction of the \$20 wage standard.

The bias in actually experienced inflation stemming from housing runs even deeper. The housing component of the CPI essentially assumes everybody is paying market rent for their housing. There are good reasons for this decision, but it means that discretion and judgement must enter into using the CPI for different purposes. Well over half of the U.S. population owns their homes, and these people have significantly higher incomes on average than renters. Homeowners either have no monthly housing payment or pay a mortgage that is fixed over time and therefore experiences no inflation. By assuming these

homeowning households experience the average amount of rental inflation each month the CPI overstates actually experienced inflation for homeowners.

This means when weighing the interests of low-wage workers against other economic actors—including consumers facing potential price increases stemming from wage standards—the real gap in living standards growth is likely larger than what would be implied by assuming all households face the same CPI inflation. Given this, there is a strong case for policymakers to use their discretion to put a countervailing thumb on the scale by boosting low-wage workers' pay.

Notes

1. For a review of the estimates of employment loss caused by minimum wage increases, see Dube and Zipperer 2025.
2. There is an additional study by Pandit (2026) that estimates the fast-food minimum wage caused an 8% decline in staffing intensity based on long-duration visits from mobile phone location data. However, the study finds almost all of the estimated effect occurred before the actual policy went into effect, with little-to-no change in the proxy for employment activity after the effective date of the minimum wage increase on April 1, 2024. It is hard to believe that in a very high turnover industry like fast food—where employers can adjust employment levels rapidly by reducing hiring—that businesses would reduce staffing levels several months before being compelled to pay higher wages, but then not change employment levels at all after actually being required to increase wages. The study also provides no evidence on wage changes, cannot distinguish between headcounts and hours reductions, and excludes new businesses that may have started during the policy period.
3. For an explanation of the importance of the own-wage elasticity in interpreting studies of the minimum wage's effect on employment, see Dube and Zipperer 2024.
4. See Cooper, Mishel, and Zipperer 2018 for the importance of accounting for turnover rates when assessing the likely implications of any measured employment decline.
5. See Economic Policy Institute 2025a for data on productivity levels over time.
6. Both of these assumptions are likely close to true or overstate the actual price pressure that would be experienced from price indexing wage standards in fast food. For the leisure and hospitality sector—the larger sector in which fast-food (or limited-service) restaurants are embedded—aggregate weekly payrolls are roughly \$10 billion. To estimate low-wage workers' aggregate pay, we took the number of leisure and hospitality sector workers making less than \$17 per hour in 2024 (5.7 million) and multiplied this by \$17 and by 35 hours per week. All of these (the high \$17 threshold for defining “low-wage”, the assumption that all making under \$17 were making exactly \$17, and the 35 hours per week) likely increase the estimate of low-wage workers' wage bill in the sector. Making these generous assumptions yields a weekly wage bill of roughly \$3.4 billion, or just over a third of the total wage bill in the sector. For total labor costs as a share of total output in the sector, we used the Composition of Gross Output by Industry table from the GDP by Industry accounts of the Bureau of Economic Analysis.
7. Growth in wages has been used to index some labor standards. Under the overtime rule enacted by the Obama administration the salary threshold for being granted automatic rights to overtime

protections was set at the 40th percentile of annual earnings in the lowest-wage region of the country.

8. Social Security uses an “average wage index” to deflate workers’ past earnings to calculate their initial Social Security benefit amount. This implicitly credits recipients for overall economic growth (overwhelmingly determined by productivity) over the course of their working life.
9. This figure calculated from data provided by the Detailed Industry Productivity database from the Bureau of Labor Statistics.
10. See Economic Policy Institute 2025b, specifically the wages for workers at the 10th percentile.

References

Bivens, Josh. 2022. “Corporate Profits Have Contributed Disproportionately to Inflation: How Should Policymakers Respond?” *Working Economics Blog* (Economic Policy Institute), April 21, 2022.

Clemens, Jeffrey, Olivia Edwards, and Jonathan Meer. 2025. “Did California’s Fast Food Minimum Wage Reduce Employment?” NBER Working Paper no. 34033, July 2025.

Cooper, David, Larry Mishel, and Ben Zipperer. 2018. *Bold Increases in the Minimum Wage Should Be Evaluated for the Benefits of Raising Low-Wage Workers’ Total Earnings*. Economic Policy Institute, April 18, 2018.

Dube, Arindrajit, and Ben Zipperer. 2024. “Own-Wage Elasticity: Quantifying the Impact of Minimum Wages on Employment.” NBER Working Paper no. 32925, September 2024.

Dube, Arindrajit, and Ben Zipperer. 2025. *Minimum wage own-wage elasticity repository*, Version 2025.9.1., <https://economic.github.io/owe>.

Economic Policy Institute. 2026. “The Productivity-Pay Gap” (web page). Last updated January 16, 2026.

Economic Policy Institute. 2025a. *State of Working America Data Library*, “Productivity and pay levels – Productivity and pay, real dollars per hour (2024\$).”

Economic Policy Institute. 2025b. *State of Working America Data Library*, “Minimum wage – Real minimum wage (2024\$).”

Economic Policy Institute. 2025c. *State of Working America Data Library*, “Hourly wage percentiles – Real hourly wage (2024\$).”

Federal Reserve Bank of New York. 2025. “Economic Heterogeneity Indicators.” Accessed January 2026.

Hamdi, Naser, and David Sovich. 2025. “The Wage and Employment Effects of California’s Fast-Food Minimum Wage.” SSRN, March 28, 2025.

KFF. 2025. “Population Distribution by Citizenship Status.” Accessed January 23, 2026.

MacDonald, Daniel, and Eric Nilsson. 2016. “The Effect of Increasing the Minimum Wage on Prices: Analyzing the Incidence of Policy Design and Context.” Upjohn Institute Working Paper no. 16-260, June 2016.

- Manning, Alan. 2003. *Monopsony in Motion: Imperfect Competition in Labor Markets*. Princeton, N.J.: Princeton Univ. Press.
- Pandit, Hitanshu. 2026. "Simply Can't Wait: Evaluating the Effect of California's Fast-Food Minimum Wage Increase." SSRN, February 23, 2026.
- Schmitt, John. 2013. *Why Does the Minimum Wage Have No Discernible Effect on Employment?* Center for Economic Policy and Research.
- Schneider, Daniel, Kristen Harknett, and Kevin Bruey. 2024. *Early Effects of California's \$20 Fast Food Minimum Wage: Large Wage Increases with No Effects on Hours, Scheduling, or Benefits*. The Shift Project, October 2024.
- Sosinskiy, Denis, and Michael Reich. 2025. "A \$20 Minimum Wage: Effects on Wages, Employment and Prices." Institute for Research on Labor and Employment Working Paper, September 2025.
- United States Census Bureau (Census). 2026. *Annual Estimates of the Resident Population for the United States, Regions, States, District of Columbia and Puerto Rico: April 1, 2020 to July 1, 2025*. NST-EST2025-POP. Accessed January 27, 2026.
- Zipperer, Ben. 2024. "Most Minimum Wage Studies Have Found Little or No Job Loss." *Working Economics Blog* (Economic Policy Institute), September 9, 2024.