

Economic Impact Analysis

The following provides information on the estimated economic impact on Hayward businesses and employees associated with an increase in minimum wage from \$12 to \$15. This analysis is based on the following assumptions established in the previous attachments:

- Estimated number of minimum wage jobs offered by Hayward businesses: 23,841
- Estimated number of Hayward minimum wage jobs held by Hayward residents: 5,116
- Total number of hours associated with locally held minimum wage jobs: 10,641,280
- Total number of hours associated with all minimum wage jobs in Hayward: 49,589,280

The table below estimates the net labor costs for all minimum wage jobs offered in Hayward.

Estimated Total Cost of all Minimum Wage Jobs in Hayward

Gross Pay Rate	Weighted Pay Rate	Total Hours	Total Net Cost
\$12.00	\$13.77	49,589,280	\$682,844,386
\$15.00	\$17.21	49,589,280	\$853,431,509
		Net pay increase	\$170,587,123

The table below estimates the total amount of new income that Hayward residents that work locally would bring home annually with the increase of the minimum wage from the current \$12.00 to \$15.00 an hour. The Net pay rate refers to the actual take home wages received by the employee after all required deductions are made.

Estimated Net Pay Increase for Hayward Resident Held Minimum Wage Jobs

Gross Pay Rate	Net Pay Rate	Total Hours (Annual)	Total Net Pay
\$12.00	\$9.66	10,641,280	\$102,794,765
\$15.00	\$11.90	10,641,280	\$126,631,232
		Net pay increase	\$23,836,467

The table below estimates the total cost to Hayward business for minimum wage jobs held by Hayward residents as the wage increase from \$12.00 an hour to \$15.00 an hour. The weighted pay rate refers to the total labor costs paid by an employer, which includes the hourly rate plus the required State and Federal payroll taxes.

Projected Total Labor Cost Associated with Minimum Wage Increases for Locally Held Jobs

Gross Pay Rate	Weighted Pay Rate	Total Hours (Annual)	Total Net Cost
\$12.00	\$13.77	10,641,280	\$146,530,426
\$15.00	\$17.21	10,641,280	\$183,136,429
		Net cost increase	\$26,606,003