

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 require 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 |